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Established 1887

British Governor  
Sent to Rhodesia  
To Take Control

By Leonard Downie Jr.

LONDON, Dec. 11 (WP) — The British government today sent Lord Soames to Zimbabwe-Rhodesia to take power as the British governor, a move that would end the guerrilla war in the country.

Lord Soames, who is accompanied by his military adviser, British Gen. John Acland, and 45 British officials, also will assume command of the Salisbury government's military forces, who have been fighting the Patriotic Front guerrillas for the past seven years.

The Zimbabwe Rhodesian Parliament today voted unanimously to restore direct British rule. The move will end UN trade sanctions against the country and move the country closer to international recognition.

Chinese to Join  
UN Negotiations

## Disarmament

NEVA, Dec. 11 (AP) — China announced its intention to join the 18-year-old disarmament negotiations next year, UN officials today said.

The Chinese mission in Geneva advised the secretariat of talks that a Chinese delegate would take the seat held open for China in the Committee on Disarmament in its forthcoming session. China thus follows the example of the Soviet Union, which joined the disarmament talks when they resumed last year with increased membership.

Among the subjects under negotiation is a ban on ending all nuclear weapons tests and a ban on nuclear weapons.

## In Front Line Attack on Teachers, Students

## Terrorists Shoot 10 at Turin University

From Agency Dispatches  
TURIN, Dec. 11 — A dozen left-wing terrorists, men and women, shot teachers and students in the legs today at the University of Turin business school, wounding two seriously.

The terrorists, who were dressed in military uniforms, pointed their guns at the Front Line group, practically took over the school of 200 lecturers and students in the carefully planned attack.

One of the wounded Fiat lecturers, Dr. Diego Pannofino, said he was being taken to hospital. "They selected 10 of us after looking at our identity papers," he said. He did not know why they were chosen.

After they were singled out, the 10 victims had their hands tied behind their backs and were marched into a corridor where they were ordered to lie down. The terrorists fired bullets into their legs and then fled.

The Front Line has been attributed with nine attacks this year, seven of them in Turin. In the attacks, they killed five persons, including two policemen, a magistrate, a student and a bartender whom they believed had given police information leading to the gun battle in which Azzaroni and Cagetti were killed.

Super Fire Hurts 12  
Beirut; Port Shut

BEIRUT, Dec. 11 (UPI) — Beirut's port was closed for the day after a super fire erupted yesterday morning, police said. The sniping ended 12 workers, Beirut radio said.

The port is situated in a no-man's-land where Syrian troops and Lebanese Phalangist militiamen are each other behind sandbag barriers and often exchange fire.

genuine nationhood, the Associated Press reported from Salisbury.

[Prime Minister] Abi Muzorewa told Parliament before the 90-to-0 vote that Lord Soames would assume office immediately on his arrival tomorrow. Bishop Muzorewa is stepping down as the country's first black prime minister, a post he assumed after the country's first universal suffrage elections in April.

## Bold Gamble

Britain is sending Lord Soames to Salisbury so soon, in its most bold and risky gamble of the 14 weeks of peace negotiations here, to force the Patriotic Front leaders to agree on details for implementing the British cease-fire plan and sign a final peace agreement as soon as possible.

The British also want to stop armed guerrillas from infiltrating into Zimbabwe-Rhodesia from bases in neighboring countries and prevent the Salisbury forces from retaliating with attacks on those bases in Zambia and Mozambique, as they did in bombing raids again on Sunday. Britain feared this escalation of the war would unravel agreement already reached at the Rhodesia peace talks here.

Because the Salisbury government and its military have agreed to transfer power to Lord Soames tomorrow, he could order and end to the retaliatory raids, as British officials today hinted he would. But he will have no authority over the Patriotic Front guerrillas until their leaders agree here to sign a cease-fire.

Until then, the Salisbury forces will be fighting the guerrillas under British government authority. If the Patriotic Front ultimately fails to agree to a cease-fire, Lord Soames could be left to carry out the British plan for elections and legal independence in the midst of a continuing war.

Surprised opposition members of Parliament raised questions about this today when Prime Minister Margaret Thatcher and her foreign secretary, Lord Carrington, were in Salisbury.

(Continued on Page 2, Col. 1)

## Irish Opposition Assails New Premier

DUBLIN, Dec. 11 — Charles Haughey, the 44-year-old millionaire with a hard-line reputation on Northern Ireland, was sworn in as the Irish Republic's seventh premier today by President Patrick Hillery.

The oath ceremony followed an 82-to-62 vote in the lower house of Parliament electing Mr. Haughey to the premiership, after some of the bitterest parliamentary attacks on a politician to be heard here.

The Fianna Fail party, which dominates the house, had picked him for the post Friday after the resignation of Premier Jack Lynch Wednesday.

The opposition used today's debate to attack Mr. Haughey, 54, for his stand on the Provisional Irish Republic Army guerrillas, his wealthy lifestyle and alleged political ambition. The party vote on Friday was only 44-to-38 in favor of the outgoing health minister, but all 82 Fianna Fail members voted for him today after the six-hour debate.

Mr. Haughey heads the ruling party's militant republican faction, which seeks British withdrawal from Northern Ireland. After his victory Friday, he moved to soothe Northern Ireland Protestants, saying, "I condemn the Provisional IRA and all its activities."

The leader of the Fine Gael opposition party, Garrett FitzGerald, a former foreign minister known for his normally temperate language, called Mr. Haughey a man with a "flawed pedigree." He recalled that Mr. Lynch fired Mr. Haughey from his Cabinet in 1970 amid suspicion of gunrunning to the outlawed IRA. Until his election as party leader on Friday, Mr. FitzGerald said, Mr. Haughey had not spoken out against the IRA in nine years.

"His failure to articulate any idealism that might inspire the younger generation, and his own lifestyle, make him unfit to be the premier," Mr. FitzGerald said.



NATO Secretary-General Joseph Luns, seated, smiles as he chats before opening of defense ministers' meeting in Brussels.

By Brown, Vance in Europe

U.S. Allies Urged to Take  
'Concrete Steps' on Iran

BRUSSELS, Dec. 11 (WP) — Defense Secretary Harold Brown and Secretary of State Cyrus Vance urged U.S. allies in Europe today to join in diplomatic and economic

Italian Communist opposition to new NATO missiles raises loyalty question. Story, Page 2.

steps to pressure Iran to surrender the U.S. hostages there.

In Brussels, reflecting a harden-

ing demand for support in the hostage crisis, Mr. Brown said that expressions of concern were appreciated but that it was time for more concrete actions.

In Bonn, U.S. officials traveling with Mr. Vance said that his meetings with West European leaders have produced encouraging signs of cooperation with U.S. efforts in the crisis. But a senior State Department official stressed that the discussions were exploratory and that there was still uncertainty among all involved about the eventual success of any concerted pressure on Iran.

At a brief press conference here, Mr. Brown said that he had not ruled out a naval blockade or any other specific measures against Iran, but said that it is "very much preferable to pursue economic and diplomatic approaches and we are making every effort to have those approaches be effective."

Mr. Brown is here to attend a crucial semiannual North Atlantic Treaty Organization meeting. The alliance will decide tomorrow whether to produce and eventually deploy 572 U.S. nuclear-tipped, medium-range missiles in Western Europe to balance a Soviet buildup of missiles and bombers.

At a preliminary meeting of defense ministers today, U.S. officials

(Continued on Page 2, Col. 3)

If Khomeini Errs on Revolt  
Shariatmadari Warns Regime  
Strife Could Become Civil War

From Agency Dispatches

TABRIZ, Iran, Dec. 11 — Ayatollah Khomeini, Iran's leading opposition figure, warned today that there would be a civil war if Ayatollah Ruhollah Khomeini made mistakes in handling the revolt in the Turkish-speaking area of northwest Iran.

Earlier, Foreign Minister Sadegh Ghotbzadeh said that international observers would be allowed into the U.S. Embassy in Tehran in the very near future and that he hoped that the visits could be made on a regular basis. But a spokesman for the militants holding the 50 U.S. hostages later refused to confirm or deny the minister's comments, saying that he had not been informed of such action. The embassy was seized on Nov. 4.

In an interview at his home in Qom, Ayatollah Shariatmadari, 76, said that he had no evidence of U.S. involvement in the fighting in the Azerbaijan region. He was clearly unhappy with Ayatollah Khomeini's tactic of blaming internal dissent on the United States.

The supporters of Ayatollah Shariatmadari are seeking greater self-rule for the province of Azerbaijan. They are opposed to the new Islamic constitution, which they believe gives too much power to Ayatollah Khomeini.

## New Clashes

New clashes were reported in the area, where fighting broke out last Thursday. Two persons reportedly were killed and about 20 wounded in clashes in the town of Urmieh between supporters of Ayatollah Shariatmadari and government loyalists.

Meanwhile, a three-man governmental mediation commission held a second day of talks in Tabriz. Despite the new outbreaks of violence, Finance Minister Abolhassan Banisadr, who was leading the commission, said that he saw no insurmountable obstacles to resolving the crisis quickly.

Ayatollah Shariatmadari said during the interview that, if the Islamic Revolution Council dominated by Ayatollah Khomeini is guided "by the wisdom and rules of Islam there will be no civil war." But he added: "If the executive makes mistakes again, the disturbances will continue in Azerbaijan, tension will increase, people will start to kill each other, civil war will take place."

Ayatollah Shariatmadari repeated his assertions that the Iranian government had broken promises made to him about self-government for the region, and he again refused to intervene to halt the turmoil.

He also struck some conciliatory notes. He said that his followers sought "more local freedoms... not full autonomy at present."

Ayatollah Shariatmadari's aides said that he would not answer questions on his views about the occupation of the U.S. Embassy.

Meanwhile, Ayatollah Khomeini said that he was sending an investigative mission to clamp down on anarchy elements among his revolutionary guards who, he said, were

seizing homes and land in some unspecified areas. He made no mention of U.S. involvement in this announcement — his first open criticism of the paramilitary force set up after the February revolution.

Canadian Ambassador Kenneth Taylor visited the U.S. charge d'affaires in Iran, Bruce Leisinger, and two other embassy officials who were being held in protective custody at the Iranian Foreign Ministry. He reported them in good health but said that they were bored.

In other developments: The United States is continuing to strengthen its naval forces in the Middle East. Pentagon officials said today that at least 300 U.S. carrier-based planes were within striking distance of Iran. The officials said that the arrival during the weekend of a Navy repair ship in the Indian Ocean had brought the U.S. naval presence in the area to 23 vessels.

Iran will guarantee the safety of navigation in the Strait of Hor-

muz at the mouth of the Gulf regardless of what may happen in the country's confrontation with the United States, the chief of the Iranian Navy said yesterday. Adm. Ahmed Madani also denied speculation that Iran might mine the waterway to pre-empt any movement of a U.S. task force into the Gulf.

If the U.S. naval forces should blockade the Hormuz Strait, he said, the Iranian Navy "will be forced to take action."

(Continued on Page 2, Col. 6)

U.S. Threatens Action If Iran 'Parades'  
Hostages Before International Tribunal

By Bernard Gwertzman

WASHINGTON, Dec. 11 (NYT) — The White House warned Iran yesterday that the United States would regard the parading of U.S. hostages before an Iranian-appointed international court of inquiry with the same gravity as it would putting the hostages on trial.

In the sharpest reaction so far to the latest Iranian proposals for dealing with the 50 hostages, White House spokesman Jody Powell said that there could be no distinction between forcing the hostages to appear before the international tribunal that might be set up to investigate alleged U.S. wrongdoing in Iran, and forcing them to stand trial for espionage.

President Carter previously has threatened in private to seek a halt in international trade with Iran if the hostages are put on trial. Mr. Powell, by extension, seemed to include the participation in the international tribunal in the same category.

But Mr. Powell refused to say exactly what the U.S. response would be, except to stress that, if the hostages were further abused, U.S. officials "could hardly afford to sit by as spectators."

Some interest

Some administration officials privately have spoken with interest of the idea announced by Foreign Minister Sadegh Ghotbzadeh for what he called an international grand jury to look into U.S. involvement in Iran. They have said that it might be part of a face-saving effort to resolve the crisis, as Mr. Ghotbzadeh has said that he also would seek to free those hostages who are not spies.

But a senior White House official, amplifying on Mr. Powell's remarks, said: "The idea of taking these American citizens who are being held contrary to every standard of civilized behavior and compounding that offense by parading them before some sort of totally unjustified public propaganda show would be repugnant not only to the government and people of the United States but to the rest of the world."

On Sunday, Zbigniew Brzezinski, the White House national security adviser, seemed to say that Mr. Ghotbzadeh's proposals more cautiously, treating that they would be welcome if they led to the prompt release of all the hostages.

Mr. Powell and Thomas Reston, the State Department spokesman, both expressed uncertainty about Mr. Ghotbzadeh's latest statements. Mr. Powell, in particular, noted that the Iranian authorities repeatedly had made proposals that later were retracted.

## Ghotbzadeh Statements

Last week, Mr. Ghotbzadeh at one point said that the date for the trial of the hostages would be set soon. This was changed to his announcing plans for a court of inquiry, he said, would not judge the hostages but the United States.

Mr. Reston said that the United States did not know exactly what the Iranians had in mind and that their statements constantly were changing. "But the United States has repeatedly stated that all employees of the United States Embassy in Iran must be released and allowed to leave promptly."

(Continued on Page 2, Col. 8)

## Criticizes Iran, PLO in Interview

## Qadhafi Seeks Improved U.S. Relations

By Youssef M. Ibrahim

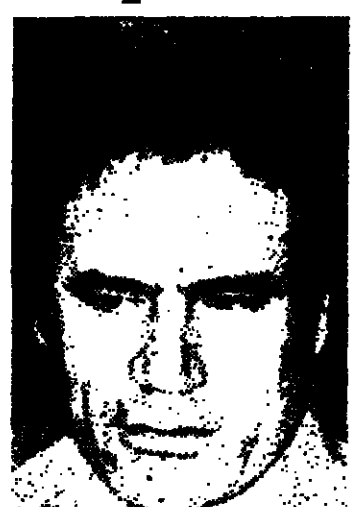
BIN JAWAD, Libya, Dec. 11 (NYT) — The leader of Libya, Col. Moamer Qadhafi, set aside earlier threats against the United States yesterday and said that his government wanted to improve Libyan-U.S. relations.

"We wish to intensify our dialogue with the United States," he said during a three-hour interview at a tent on the shore of the Mediterranean.

Col. Qadhafi said that Libya had received assurances from Washington that allowed him to forget the present his threats to impose an oil embargo against the United States or to consider a reduction in Libyan oil production of 2 million barrels a day, of which the United States imports about 700,000.

According to Col. Qadhafi, the assurances were that there would be a shift in U.S. policy in the Middle East toward "a more neutral posture" if President Carter were re-elected. These assurances, he said, came from Mr. Carter himself "through unofficial but reliable channels."

Col. Qadhafi, speaking in Arabic, left little doubt that he expected Mr. Carter to be re-elected next year. "We will wait to see how new policies are going to turn out



Col. Moamer Qadhafi

during Carter's second term," he said.

"We have received these assurances in the last few days through unofficial but reliable channels from President Carter," Col. Qadhafi said. "We interpret them as meaning a more neutral American posture in the conflict be-

tween the Arabs and Israel. We also believe they might entail a more sympathetic attitude toward the Palestinian people, who have been dealt with very unfairly by the Americans."

Col. Qadhafi said that unofficial messages had been passed back and forth between Tripoli and Washington on the question of the U.S. Embassy, which Libyan demonstrators ransacked and burned Dec. 2. He said that his government had assured the United States that nothing like that would happen again.

The interview began Sunday night after Col. Qadhafi arrived at this small outpost, about 360 miles east of Tripoli, in a big bus with his wife, six children and his father. He talked into the early hours of yesterday.

Col. Qadhafi was in the third day of a tour of Libyan land reclamation projects on the Mediterranean. He was combining the tour with one of his frequent campaigns in the desert, which sometimes last two weeks.

During the interview, he also made these points:

- He condemned the U.S. for the seizure of the Iran Embassy in Tehran and the holding of U.S. hostages.
- He implied that the Libyans, who have close relations with Iran, had tried to mediate the release of the hostages and were continuing to do so.
- He attacked the leader of the Palestine Liberation Organization, Yasser Arafat, and the PLO, which he accused of merchandizing the Palestinian cause and preparing to sell out the Palestinian people. He said that Libya was suspending all of its contributions to the PLO, which have been in the millions of dollars annually.
- He asserted that Libya had never permitted any Soviet military ship to use its ports or its coastal strip on the Mediterranean. He said that although Libya was friendly with the Soviet Union, which has supplied vast amounts of arms to his country, it would not be allowed to set up military bases here.

"I am quite frankly totally opposed to the holding of hostages, not only in Iran but anywhere in the world," Col. Qadhafi, whose country has been accused by the United States of harboring international terrorists, a charge that he denies vehemently. "Embassies are protected by international conventions. They are the state's responsibility."

However, he also said, "If the United States attacks Iran, we will not be neutral. Iran is our ally."

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## Standoff in Tehran Stirs Renewed Patriotism in U.S.

By Wendell Rawls Jr.

KETTERING, Ohio, Dec. 11 (NYT) — Jake Schumacher was a child when the United States entered World War II. He remembers the adults talking of little else and listening constantly to radios for every bit of information.

It is happening again, he said at his crowded Village Inn restaurant and bar. Every day for the last month his customers, from lawyers to letter carriers, have made Iran and the U.S. hostages, the shah and the ayatollah the topic of conversation. There seems to be a "new feeling of patriotism about it all," he said, "a lot of the waving-the-flag type of thing."

The feeling of patriotism expressed by Mr. Schumacher and others in this middle-class suburb of Dayton seems to have grown nationwide since the Nov. 4 assault on the U.S. Embassy in Tehran and the taking of U.S. hostages by militant supporters of Ayatollah Ruhollah Khomeini. There are signs that Americans are expressing the strong feelings of nationalism that some believed had been submerged after Vietnam.

## Observers of Mood

A significant change appears to be a shift of mood among those who in the past decade were loathe to fly the U.S. flag or make any other patriotic display for fear that they might be identified with superpatriots or others who supported the U.S. involvement in Vietnam. This reluctance has not been overcome entirely, but there is evidence that the Iranian crisis has done more than any other event to make public displays of patriotism acceptable again in many quarters.

Discussions in recent days with observers of the U.S. mood — from Mr. Schumacher and scores like him to opinion poll takers — and interviews across the United States by New York Times correspondents indicate that:

Crisis Appears to Harden  
Desires for Strong Defense

Feelings seem to be hardening on such narrow subjects as Iran and such broad ones as national defense and foreign policy.

Desires for a stronger national defense seemed to be building long before the embassy takeover and other events of the last month in Muslim countries, but the Iranian crisis apparently has strengthened such feelings.

Despite this, dislike for Mohammed Reza Pahlavi, the deposed shah, and resentment at his being in the United States are apparently widespread.

A growing number of people in the United States say they believe that the United States soon will be engaged in a war, although a majority approve of President Carter's avoidance of military retaliation.

Young Americans, whose counterparts were in the vanguard of the antiwar protests a decade ago, express more belligerence about the events in Iran than their elders and appear to be more eager for military intervention.

I don't think it's correct to say there has been any major change of opinion over the past month or the past year," said Dr. Everett Ladd of the University of Connecticut. "There was a kind of souring of the public after Vietnam, but there has been a basic coming back to pre-Vietnam attitudes."

A poll taken by the Gallup Organization last week indicated that 77 percent of the 525 respondents specifically approved of Mr. Carter's handling of the Iranian situation. While 49 percent favored using only diplomatic and economic sanctions against Iran, 41 percent favored using military

force, even if it meant that some hostages would be harmed. The difference was within the poll's margin of error of 5 percentage points either way.

Even if the hostages are released unharmed, the poll found, 63 percent said that Iran should be punished by diplomatic and economic means.

"Most people were critical of the shah's past rule in Iran, felt we had a moral commitment to let him in our country and had a restrained attitude toward how to deal with the crisis," said Andrew Kohut, the president of Gallup.

## Attitudes Building

David Gergen, a resident fellow at the American Enterprise Institute in Washington and the managing editor of Public Opinion magazine, both of which have a conservative orientation, said that attitudes favoring such things as increased military spending had been building for four or five years.

He cites polls such as those conducted by Louis Harris and the ABC television network, which found that, in 1971, 11 percent of the respondents thought that military spending should be increased, 49 percent thought that it should be decreased and 40 percent wanted to maintain the status quo. But a similar poll in October, before the attack on the embassy in Tehran, found that 60 percent wanted an increase in military spending and only 9 percent favored a decrease.

"There is a desire for a stronger U.S. presence in the world and a growing feeling that we are weaker than the Soviet Union," Mr. Gergen said. "But what we are seeing now is not a move toward internationalism — not a desire to be the world's policeman — but an urge to look after ourselves, a strong sense of nationalism. The public wants a protected U.S. dollar, reliable sources of energy and protected U.S. jobs."



## News Analysis

## Rhodesian Truce Presents Major Problem for Soames

By John F. Burns

SALISBURY, Dec. 11 (NYT) — Lord Soames, the British politician and diplomat named last week as governor of this rebel colony, will face a host of problems in guiding it to legal independence under black rule.

But none is likely to be more vexing than putting into effect a cease-fire between Patriotic Front guerrillas and government forces that have been battling each other on and off for more than 12 years. When Lord Soames arrives here tomorrow the fighting will still be going on and likely will continue for some time.

Negotiators in London have yet to reach agreement on details of the truce, and the pattern of the conflict suggests that it could take weeks to put an accord into effect.

The government military commander, Lt. Gen. Peter Walls, has said that he can guarantee his troops' compliance with a cease-fire within two hours. But the guerrilla leaders, Robert Mugabe and Joshua Nkomo, lacking the sophisticated communications and tight command structure of the government forces, have warned that it could take two months to inform all their men of the accord.

Even then, mavericks among the rebel field commanders may continue the war.

Lord Soames could find himself in the tricky position of attempting to enforce the truce before the two-

month election period stipulated in the peace pact can begin.

The broad cease-fire arrangements already accepted by the combatants provide for the governor to take whatever action he considers necessary against rogue units "with the forces which have accepted his authority." That raises the specter of British becoming directly involved in the fighting here, a risk that successive British governments have sought to avoid.

If the fighting continues, even at a low level, Britain could incur casualties among the cease-fire monitoring force of 1,200 men and could face pressures from the countries making up the force, Australia, New Zealand, Fiji and Kenya, to withdraw.

The monitoring force will not be large enough to cover the entire country at one time. It could be impossible to verify that all those involved in the war have reported to the base camps and assembly points set up under cease-fire, and equally difficult to determine which side is responsible for breaches of the accord.

There also could be a problem with the rapidly growing force of irregulars known as auxiliaries, young blacks recruited from among guerrillas who have deserted or been captured and from among the unemployed. The irregulars, numbering about 20,000, could find it easy to melt into the rural population.

On the guerrilla side a major worry will be the loyalty of some units to the Patriotic Front leaders, particularly Mr. Mugabe. Mr. Nkomo's force, trained by Russians and Cubans, has a conventional command structure and is relatively disciplined. Mr. Mugabe's army is larger — about 12,000 men inside the country, against about 4,000 for Mr. Nkomo — but more divided politically.

According to government intelligence sources, some detachment commanders have begun telling their men that Mr. Mugabe has sold out in London and that the war must continue.

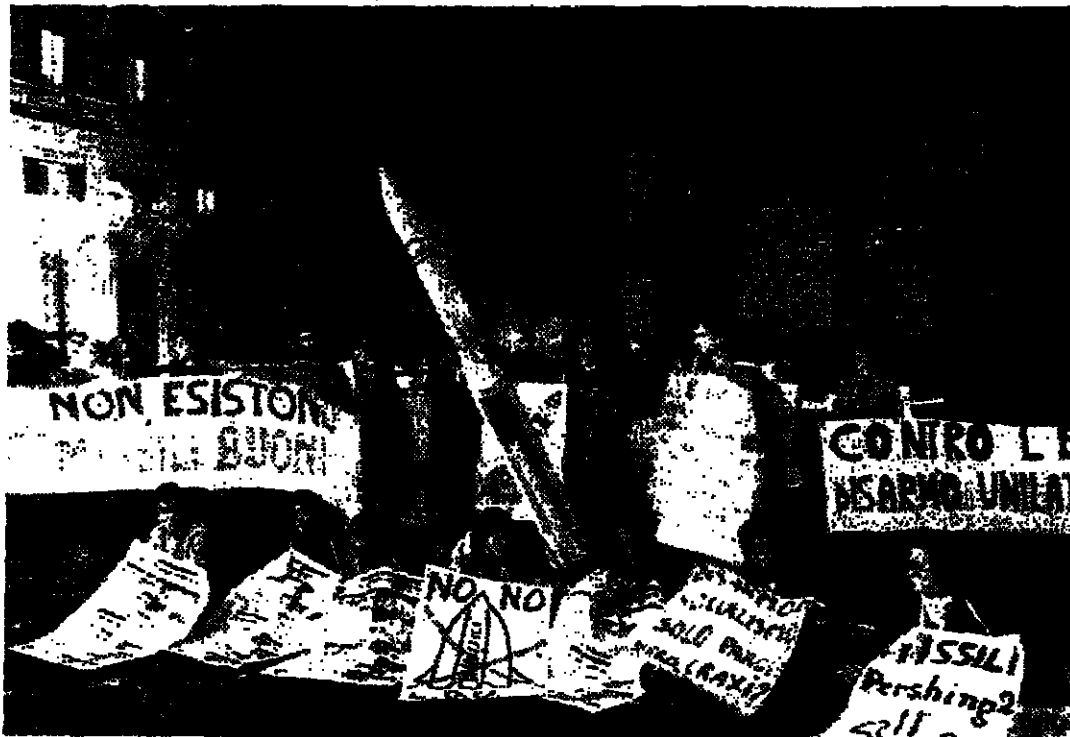
Infiltration could be a problem. The cease-fire provides for the guerrillas to stop crossing the border from base camps in Zambia and Mozambique, but the British will be faced with the difficulty of controlling a 1,500-mile frontier with the two black countries.

Attacks by government forces Sunday against the guerrilla camps in Zambia and Mozambique were said to have been prompted by guerrilla plans to push large numbers across the border before the election.

Lord Soames also will have to make a ruling on "mujibas," mostly teen-age blacks recruited by the guerrillas as "eyes and ears" in the tribal reserves. The government estimates that there are 40,000 of them.

If they are left free to roam the reserves, Zimbabwe Rhodesian Prime Minister Abel Muzorewa could maintain that they intimidated millions of blacks living there, voiding the election.

Another difficulty will be the South African military presence. The British have given assurances that all foreign forces will be removed before the election, a formulation that covers several hundred Mozambican soldiers fighting alongside Mr. Mugabe's forces.



Outside Rome's presidential palace, demonstrators protest Italy's decision to approve deployment of NATO missiles. The placard at the left reads: "There is no such thing as good missiles."

## Loyalty Is Questioned Again

## Missile Plan Angers Italy's Communists

By Sari Gilbert

ROME, Dec. 11 (IHT) — After five days of debate, the Italian government has approved NATO's plan for the deployment of 112 Pershing-2 and Tomahawk Cruise missiles in Italy, and the Italian Communist Party — the country's second strongest political faction — is plainly not pleased with the decision.

The motion, which cleared Italy's Senate last night — its last legislative hurdle — permits the government to attend tomorrow's ministerial meeting in Brussels with a mandate to back the missile deployment program.

But the strong Communist opposition to the proposal has focused attention on the still unresolved question of Communist Party loyalty to the Atlantic alliance. It also provides insight into the party's at-

tempts to steer between the United States and the Soviet Union while at the same time seeking to overcome the identity crisis that followed the party's break with the Christian Democrats a year ago and the losses at the polls that followed the move last June.

Before the vote the Communists had called for immediate negotiations with the Russians and a six-month delay on NATO's decision, a position similar to that taken by the Dutch, the Danes, the Norwegians and the Belgian Socialists.

## Added Appeal

What was startling about the Communist stance was its added appeal to the Soviet Union to halt construction of its SS-20 missiles. The appeal, which was not printed in Soviet newspapers, indicates that for the first time the Italian Communist Party has recognized the on-

going Soviet military buildup along with Soviet responsibility for the strategic imbalance in the Europe.

In December, 1977, the Communist Party voted with Italy's other major parties in support of Italian foreign policy, a cardinal point of which is membership in NATO. But the party's position has wavered between expressions of allegiance and opposition to key points of U.S. foreign policy.

Analysts at the U.S. Embassy accuse the Communists of following the Soviet foreign policy line in many areas and some Western diplomats have said the Communist request for a six-month delay was pro-Soviet because it would give the Russians more time to consolidate their strategic lead.

But many Italian non-Communist observers have said that the appeal to the Russians to stop producing SS-20s was an important political development by which the Communists meant to signal that they do not wish to be isolated from the mainstream of the Western alliance.

For the most part, criticism of the Communist position has come from groups eager to keep the Communists isolated.

On the other hand, those Christian Democrats who would like to re-establish constructive relations with the Communists have downplayed the differences in the two positions. For example, in his speech to the Chamber of Deputies last week, Premier Francesco Cossiga stressed that he did not believe the Communist position had been based on consultations with the Soviet Union. It simply, he said, reflected "a different evaluation of the world situation."

## Vance Mission

Mr. Vance, meanwhile, held a second day of meetings with leaders of major Western industrial countries. He met yesterday with the heads of government in Britain and France, and, after talks in Rome this morning with Premier Cossiga, he flew to Bonn tonight for discussions with Chancellor Helmut Schmidt.

A spokesman for President Valéry Giscard d'Estaing of France said that the French leader promised Mr. Vance last night in Paris that his country would participate in any diplomatic action aimed at freeing the hostages, United Press International reported.

I.U.P.I. also reported that Foreign Minister Hans-Dietrich Genscher of West Germany reaffirmed his government's support for the United States in the Iran crisis during a parliamentary budget debate in Bonn today.

While stressing that no commitments or agreements had been made, a senior official traveling with Mr. Vance said that the secretary of state had found "a universal sense of outrage at Iran's flouting of international law" at each stop, and "strong sympathy and support for the United States" in its efforts to get the hostages freed.

The official said that there were signs that many Iranian leaders were worried over the effects of the U.S. freeze of Iranian assets and would like to find a way out. For that reason, he said, the Carter administration has been looking more closely at economic pressures to force the Iranians to yield.

## Protest to Japan

But the official said that there are ways for Iran to open new channels to suppliers and financing in third countries. Iranian attempts to find such help prompted Mr. Vance, in a meeting with Foreign Minister Saburo Okita of Japan yesterday in Paris, to protest sharply about the willingness of some Japanese banks to aid the Iranians.

In Tokyo, Premier Masayoshi Ohira of Japan said today that his government might consider restricting oil imports from Iran if the hostage crisis continued, "but at the present time we are not considering this possibility," the Associated Press reported.

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## 'We Marines Are Covering for the Rest'

## U.S. Reporters Interview Tehran Hostage

By Don A. Schanche

TEHRAN, Dec. 11 — An inside look at the health and attitudes of the U.S. hostages here was given yesterday by a young Marine who made it clear that, despite five weeks of captivity, he and at least some of the others have not buckled under to any psychological pressures applied by their Muslim captors.

Cpl. William Gallegos, 21, was the first of the 50 hostages to be interviewed on television in Iran. Questioned by two television reporters for the U.S. network NBC, Cpl. Gallegos addressed them as "sir." He appeared to submerge some of his meaning between the lines of the interview, seeming to indicate, for instance, that some of the hostages no longer were being held in the U.S. Embassy. The interview took place in the embassy library.

He said that "about 30 of them [the hostages] are in one room and their hands — they are each in cubicles — their hands are still bound." He said that they were allowed to exercise three times a day for 15 minutes. Sometimes, he said, they were allowed more exercise if they asked for it.

Cpl. Gallegos said: "We feel that we [the Marines] are covering for the rest of the hostages because they are not as tough as Marines. The others kind of look up to us for support."

## Enigmatic Smile

NBC correspondent Fred Francis told Cpl. Gallegos after the interview concluded: "You know you've got a lot of people pulling for you." The Marine smiled enigmatically.

Mr. Francis added: "I think something good is going to happen." Cpl. Gallegos replied, "I hope so."

At the end of the program, the Marine chatted off camera with Mr. Francis and his NBC colleague, George Lewis. Mr. Francis said jokingly to the Marine, "You need a 'sidekick' style." Mr. Gallegos replied, "Yes sir, I know, sir," as if Francis were a Marine Corps officer.

Mr. Lewis and Mr. Francis offered him cigarettes and books. He said, "I don't smoke, sir," and deferred to one of his Iranian captors when he refused to permit the Marine to accept books. "They have all they need," the Iranian said. The



Marine Cpl. William Gallegos is interviewed in U.S. Embassy.

Marine was then led from the library.

He walked jauntily, according to Mr. Francis and Mr. Lewis. They said that he did not behave like some U.S. captives seen in other crisis situations. "He walked out with his head up high," Mr. Lewis said. Mr. Francis said that Cpl. Gallegos carried himself like he was "willing to stand up for what he believes."

During the interview, Mr. Francis suggested to Cpl. Gallegos that prisoners often identify with the politics of their captors. "Yeah, I know that," the Marine replied. "I understand that and we know what they want — but, you know what I mean."

Mr. Francis and Mr. Lewis later said that they believed that Cpl. Gallegos intended his U.S. audience to know that he and at least some others among the captives had not been intimidated by their captors.

In New York, NBC said that it was allowed to interview the hostage on the condition that the entire interview — and a response from an Iranian student — be telecast. The telecast took place last night.

In Washington, House Speaker Thomas O'Neill of Massachusetts said that both he and President

Carter were upset about the view, the Associated Press said. He said that he believed the had aided Iranian propaganda worked out with the militant.

Last night, CBS News said that it had turned the opportunity for a "face-to-face" interview similar to the one NBC conducted. "Two of the U.S. networks, including CBS, flatly rejected the proposition," CBS Evening News ABC comment last night.

It was not known whether had rejected the exact offer accepted by NBC. NBC said it did not have to submit its in advance. CBS said that it has insisted on screening situations.

White House Press Secretary Jody Powell said that Iran's "cynical attempt to divert attention from international demands" that independent of be allowed to visit the hosts said that statements by the viewed hostage "were mad and have no validity."

© Los Angeles Times

## Shariatmadari Sees Threat of Civil War

(Continued from Page 1)

forced to launch a selective counter-blockade at the narrowest point of the strait," he said. "That would stop the passage of American ships," he said, noting, however, that the action would not affect the navigation of ships of other nations.

• The International Court of

Justice today began considering in private session the U.S. suit against Iran, court officials said in The Hague. The court adjourned yesterday after a two-hour session consisting primarily of public arguments from U.S. Attorney General Benjamin Civiletti and State Department legal adviser Roberts Owen.

• In Washington the House Foreign Affairs Committee today unanimously approved a resolution that "no effort should be spared to maintain the honor of the United States and achieve the release and safe return of the hostages" in Iran. A similar resolution has been introduced in the Senate.

• More than 400 followers of radical Sheikh Abbas Mohammad Montazeri today occupied the departure lounge of Tehran's international airport for the second day and pledged not to leave until they boarded a plane for southern Lebanon to fight Israel and its allies.

Despite Lebanon's refusal to let them in yesterday, Sheikh Montazeri said that his volunteers, mostly teen-agers, "will definitely leave for Lebanon to join their Palestinian and Lebanese brothers and fight the Zionists." Lebanon has closed its airspace to Iranian planes and State Department legal adviser Roberts Owen.

• A Paris newspaper reported today that Princess Ashraf, the twin

sister of Mohammed Reza, the deposed shah, said that she was ready to die with the rest of the family if it could help overthrow the Iranian regime. Her son, Shahin, was shot to death on Friday, and the chief of the Iranian revolutionary guard, the murder was carried out by a Muslim gunman who was for Princess Ashraf. She is in New York.

## U.S. War On Hostage

(Continued from Page 1)  
and in safety," he said, "must be allowed to slow down."

White House officials said there were no plans for an announcement or decision week unless the Iranians made actions on the hostages. Secretary of State Cyrus Vance was in London and Friday seeking allied support possible economic sanctions, was scheduled to Rome and Bonn today. He port to President Carter who turns at the end of the week.

## U.S. Denies TV Rep

WASHINGTON, Dec. 11 — The U.S. administration, named Iran to release all tapes in 10 days or the States will try to topple the government through economic sanctions, ABC News said today.

The State Department said there was no substance to it, and that the United States trying to overturn the Iranian regime.

## Republican Leader's View

WASHINGTON, Dec. 11 — Theodore Stevens, acting leader in the U.S. Senate today that he did not know the American people continue to support Carter's handling of the Iran.

Later, Sen. Robert Byrd of West Virginia, the Democratic charged that Japanese "condone if not actually reward actions taken against citizens" by offering high Iranian oil on spot markets.

## French Free Iran

## Deported by Brit

PARIS, Dec. 11 (AP) — An student detained by British then deported to France today after police established he had no connection with the Friday of the shah's nephew. The student made a quick trip from London to Paris. Shahin Montazeri was shot to death in Paris appeared to be the work of a port assassin. After the French police said the who was not identified, but alibi for the hour in which was killed.

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Offers Little From Carter Views

# Kennedy, in Major Speech, Sets Foreign Policy Goals

By Robert Shogan

CHICAGO, Dec. 11 — Sen. Edward Kennedy, D-Mass., delivered his first major address of his presidential campaign on foreign and domestic policy yesterday, and left the impression that in those areas he had far more to say than in most of his previous speeches. Kennedy's remarks seemed to be a question period after his speech to the Chicago Council on Foreign Relations. Sen. Kennedy asked what would be the big difference between Kennedy and Carter administrations on international policy. Instead of citing specific issues, Sen. Kennedy said: "The fundamental difference is that in a Kennedy administration there would be one voice speaking on foreign policy and domestic policy here and overseas. It would be a voice that our allies would rely on and our friends would respect."

On the face of it, that proposal seemed similar to efforts being pushed by the Carter administration through the International Energy Association and at the economic conference in Tokyo last June. Sen. Kennedy's remarks seemed to be a question period after his speech to the Chicago Council on Foreign Relations. Sen. Kennedy asked what would be the big difference between Kennedy and Carter administrations on international policy. Instead of citing specific issues, Sen. Kennedy said: "The fundamental difference is that in a Kennedy administration there would be one voice speaking on foreign policy and domestic policy here and overseas. It would be a voice that our allies would rely on and our friends would respect."

## Campaign of Attrition

MIAMI, Dec. 11 (UPI) — Sen. Kennedy's strategists have concluded it is unlikely that he can capture the presidential nomination with an early knockout in Mr. Carter's southern base — and they have decided to prepare instead to fight a lengthy war of attrition. In a pivotal decision, Kennedy officials say they have decided against mounting an all-out effort to win the Florida primary in March.

Financial resources must be conserved for the long haul, Kennedy officials say. Kennedy's campaign officials stressed in a series of interviews and thus they have decided to make only a modest initial effort in Florida — the state that represented Sen. Kennedy's best, and perhaps only, hope of cracking the foundation of southern support upon which Mr. Carter plans to build his effort to win re-election.

Kennedy officials said they will content themselves with receiving the loser's share of the Florida delegates, which will be allotted proportionately based on the results of the March 11 primary. And they will look to later primaries outside the South, in states such as Illinois, New York and Pennsylvania, to defeat Mr. Carter.

## Early Knockout

A few months ago, when Mr. Kennedy held a commanding 2-1 lead over Mr. Carter in the polls, a number of Kennedy advisers had looked optimistically toward the possibility of scoring an early knockout by defeating Mr. Carter in Florida and thus demonstrating that the president had no chance to win the nomination because he could not hold his southern base. But since then, the race between the two men has tightened considerably, as Mr. Carter's prospects have been boosted by public support for his handling of the crisis in Iran.

Sen. Kennedy, meanwhile, has begun his election bid with what even his campaign manager, Stephen Smith, concedes is a "certain unevenness." Mr. Smith added that, as far as prospects for a Florida victory are concerned, "I don't think there's going to be an early knockout. I'm not looking at any single primary to be conclusive."



Chancellor Helmut Schmidt, right, confers with Hans-Dietrich Genscher during Tuesday's debate in the Bundestag in Bonn.

## News Analysis

# Schmidt's Party Meeting Reflects Electoral Doubts

By Michael Getler

BERLIN, Dec. 11 (UPI) — Though the five-day Social Democratic Party convention here last week was a personal triumph for West German Chancellor Helmut Schmidt, it also reflected some signs of an uncertain future for the party that has led the country for the last 10 years.

It was, for example, a bad convention for Willy Brandt, the venerable, 65-year-old party chairman and former chancellor who has given West Germany and the Social Democrats so much international prestige over the years and who is so important in holding together the left-center elements in this diverse party.

Given the task of trying to articulate the struggles of the left while supporting the more conservative course of Mr. Schmidt, Mr. Brandt made a keynote speech that satisfied no one. At the meeting's close, Mr. Brandt was again re-elected party chairman, winning 360 out of the 402 delegate votes. But the number who either voted against him or abstained was more than double that of two years ago.

## Disappointment

Some delegates from the left felt that Mr. Brandt had deserted them on crucial issues of nuclear power and nuclear weapons. In Berlin and other cities there were reports over the weekend of party members renouncing their memberships. The week's event seemed to reflect some fading of Mr. Brandt's star, which also dimmed last year when he had a heart attack and began divorce proceedings from his wife of 30 years.

Mr. Brandt's problems, along with the party's aging floor leader in the Bundestag, 73-year-old Herbert Wehner — who has guided his party's fortunes since the post-war era began — seriously challenge the party's future leadership.

Indeed, there is talk in party circles that even Mr. Schmidt, assuming the victory he is likely to win next October, might only serve two years of a new four-year term. In this view, he would turn over the chancellorship in mid-term to a younger protégé — perhaps Defense Minister Hans Apel — in order to give his successor experience and his party a better chance at holding power beyond the 1984 elections.

The Social Democrats are relatively rich in younger political talent in both the party and the circle of key aides and cabinet ministers surrounding Mr. Schmidt in government. But the popularity and political skill of the Schmidt-Brandt-Wehner trio will be extremely hard to transfer in a country where the joint conservative forces are larger than the Social Democrats.

Mr. Schmidt's party roles in coalition with the smaller Free Democratic Party but there, too, future leadership has questions hanging over it. Party chairman Hans-Dietrich Genscher, who is also Bonn's foreign minister, has a double assignment that is fraught with stress and he has twice entered a hospital this year for heart problems.

The Social Democrats support here, at Mr. Schmidt's urging, of the limited use of nuclear power to provide West Germany's energy and

## Expected to Aid Diagnoses

# U.S. Psychiatrists Prepare Definitions of Mental Ills

By Dava Sobel

NEW YORK, Dec. 11 (NYT) — Psychiatrists, long accused of making diagnoses by intuition or by even less systematic criteria, will soon release detailed definitions for schizophrenia, depression, phobia, mania and most other mental disorders.

Far more than a set of new labels for old problems, these enhanced definitions embody the accumulated knowledge of the last 10 years of research in mental illness. They promise to have worldwide impact on the treatment of patients, the direction of future research and the education of psychiatrists.

The definitions will take effect next month, when the American Psychiatric Association publishes its edition of Diagnostic and Statistical Manual of Mental Disorders. Draft versions of the manual, circulated among professionals for comment in the past three years, have already changed the way many people approach diagnosis, according to Dr. Robert Spitzer of the New York State Psychiatric Institute, chairman of the task force that wrote the volume.

"The manual's real significance," Dr. Spitzer said, "is that it shows psychiatry becoming more of a science. The criteria for making a diagnosis are spelled out with great specificity, and patients will benefit because the diagnoses have treatment implications."

## Defines Disorders

For example, the term "psychophysiological personality reaction," the term that stood for impotence and frigidity in the earlier manual, will be replaced by a series of more narrowly defined disorders. Dr. Spitzer said, which avoid common notions of weakness and coldness. The new terms include inhibited sexual desire, inhibited sexual excitement, inhibited female orgasm, inhibited male orgasm and premature ejaculation.

Thus, Mr. Schmidt and Mr. Brandt are trying to emphasize their own party's concern for the environment while telling people that a vote for the Greens is, in effect, a vote for the ultraconservative challenger for the chancellorship, Franz Josef Strauss.

The extraordinary attention Mr. Strauss received here in speeches, particularly from Mr. Brandt, suggests that the Social Democrats are perhaps not quite as confident of defeating him as they might otherwise seem. Indeed, the abuse heaped on Mr. Strauss here may well have breathed new life into his campaign, which some opinion samplers had seen as faltering recently.

The Bavarian premier was the main focus of Mr. Brandt's speech, which contained a level of invective that struck many people here as the harshest ever at such a gathering and, though the delegates enjoyed it, it also did not contribute to Mr. Brandt's statesman image.

Mr. Brandt's remarks undoubtedly were inspired in part by comments of some in Mr. Strauss's party who have tried to draw subtle links in the public mind between Socialism and National Socialism.

Thus, while Mr. Schmidt sits comfortably astride power in West Germany with growing international status and prestige and the strong likelihood that he will be re-elected, the speeches emanating from just beneath him and from the other side suggest that the forthcoming campaign will take a rather low road.

# U.S. High Court Upholds Religious Holiday Time

WASHINGTON, Dec. 11 — Thomas Byars joined the Worldwide Church of God in 1971, two years after he began working as an elementary school teacher in the Duor Union School District north of Bakersfield, Calif.

Since then, Mr. Byars has taken off five to eight school days each year to observe his church's religious holidays. Each time he is absent, the tiny school system — nine teachers and 177 pupils this year — hires a substitute teacher to fill in for him.

Yesterday, the U.S. Supreme Court ruled that the school system must continue to do this. By a 6-to-3 vote, the justices decided that the First Amendment's ban on an establishment of religion is not violated when an employer is required to make some special arrangements to accommodate the religious holidays of its employees. The court's action does not, however, require that Mr. Byars be paid for the days he took off.

The ruling amounted to a significant legal victory for Jews, Muslims, Seventh-Day Adventists, members of the Worldwide Church of God and other religious faiths that celebrate their holidays at times when most others in the United States are working.

These faiths had already been granted some legal protection by the 1964 Civil Rights Act. An amendment to that law, passed by Congress in 1972, said specifically that employers must make some reasonable accommodations to let workers observe religious holidays.

But until yesterday, the high court had never decided whether this provision, and similar requirements in state laws, amount to an unconstitutional establishment of religion. The U.S. Supreme Court's action in Mr. Byars' case — by dismissing an appeal by the school district from a California Supreme Court ruling in his favor — set a binding precedent that must be followed by lower courts throughout the nation.

Mr. Rusk, who served as secretary of state under President John F. Kennedy, has endorsed President Carter for re-election with a verbal slap at Sen. Edward Kennedy, D-Mass.

"Nobody knows better than Teddy himself that he personally is not qualified to be president of the United States," Mr. Rusk told the Georgia Federation of Democratic Women here Saturday.

Saying that his decision will cost him "some old and close friends," Mr. Rusk added that he had "a great respect for John F. Kennedy — both as a man and a president — but Teddy Kennedy is not John Kennedy. I am concerned about the character of the man whose finger will be on the button in a nuclear crisis." He added, "I am content that that man should be Jimmy Carter."

# Civil Servants in Turkey Face to Patronage Tune

By Marvin Howe

ANKARA, Dec. 11 (NYT) — A fish banker said the other day he had been twiddling his thumbs in an honorary post in a government bank for two years, but he hoped to get a managerial position because his party won the re-election.

The same thing is happening throughout the Turkish administration. Thousands of civil servants are being given official posts, in what has become a tradition with each change of government.

Most ministries and official departments have virtually stopped functioning since the 14 elections in which the Republican People's Party of former Premier Bismil Evcit lost to the Justice Party allyman Demirel, the new premier.

will have to change all the personnel because I can't trust a newly appointed director. The trouble is we Turks have got the notion of loyal opposition and the courts will obstruct or sabotage if necessary until the end.

The Ministry of Defense is a 100 percent intact, because it is reportedly managed to keep of party politics. The Ministry of Foreign Affairs is also said to be unaffected. Elsewhere, top officials have already been changed, and third-level personnel waiting for their replacements.

being replaced are not out of job, but are pushed aside to obscure offices, sometimes even a desk. Under Turkish civil servants cannot be fired or demoted without good and legal proceedings. An anti-civil servant must be given another government job at the level.

the consequences of these sweeping changes in the administration are being replaced are not out of job, but are pushed aside to obscure offices, sometimes even a desk. Under Turkish civil servants cannot be fired or demoted without good and legal proceedings. An anti-civil servant must be given another government job at the level.

filled in Philippines ANILA, Dec. 11 (Reuters) — Communist guerrillas were killed and five wounded in a clash between Philippine troops Sunday in Cotabato, 500 miles south of Manila, where government forces also have been fighting against Muslim rebels since the Defense Ministry said 10-

# U.S. Satellite Lost After Launch; Explosion, Wrong Orbit Possible

CAPE CANAVERAL, Fla., Dec. 11 (UPI) — U.S. tracking stations around the world scanned the skies today for Satcom-3, a one-ton, \$20-million communications satellite that may have blown up.

The missing satellite, designed for the cable television industry and owned by RCA American Communications Inc. (Americom), was launched Thursday night. Yesterday, RCA said that it had lost track of it.

After the launch, NASA officials said that the satellite had gone as planned into its preliminary orbit, and turned Satcom's guidance over to RCA.

An Americom spokesman, John Williamson, said yesterday that RCA scientists had lost all track of Satcom-3 after they sent a signal to fire a rocket motor to guide the satellite into its permanent orbit 22,300 miles above the Pacific Ocean at the equator.

"We don't know if the satellite exploded or whether it's gone into the wrong orbit," a spokesman for Americom said. A source close to the tracking screens.

# 4 Ukrainian Baptists Sent to Labor Camp

MOSCOW, Dec. 11 (Reuters) — Four Ukrainian Baptists have been sentenced to labor camp terms of up to 12 years after being convicted of stealing state property, dissident sources said here.

The four men denied the charges at their trial in Kirovograd last week, the sources said.

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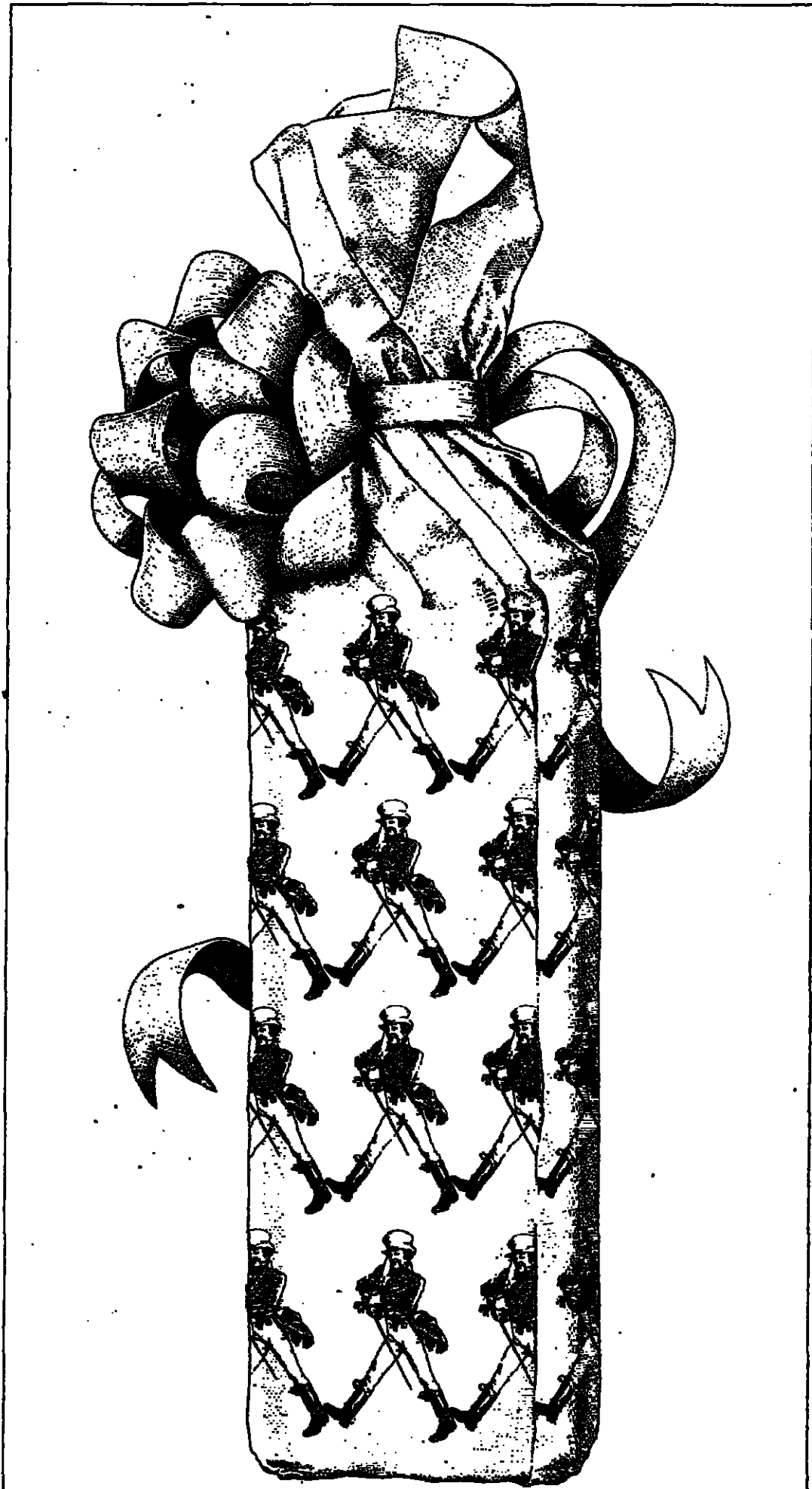
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## Economic Imperialism

The Justice Department wants to investigate charges of price-fixing involving Saudi Arabian oil. Four U.S. oil companies are partners in Aramco, which produces most of it. But the majority owner is the Saudi government. The Saudis are adamant in refusing the Justice Department's demands for internal Aramco financial data, and they threaten retaliation if those demands persist. The U.S. State Department is pressing the Justice Department to back off.

It's another step in the Justice Department's campaign to treat other governments as though they were U.S. companies subject to U.S. antitrust laws. The department is being pushed by several congressional committees. But the State Department is, unfortunately, right in its warnings of the damage that these grabs for extrajurisdictional jurisdiction are doing to U.S. interests.

An earlier case began with Canada's policy of setting minimum prices on its uranium, some of which was being mined by a U.S. company. That also seemed to the Justice Department to be a violation of U.S. law. But there are not many subjects in world politics more touchy than the voracious U.S. appetite for other countries' natural resources and U.S. pressure for more production at lower prices. To other and smaller countries dealing with U.S. oil and mineral companies, this legal campaign against their price policies has a sinister implication. It looks to

them like an official attempt to reach through the U.S.-based multinational corporations to force down the prices for the oil and the ores the United States wants.

It's hard to think of a more foolish target for the Justice Department's zeal than Saudi Arabia and Aramco. For one thing, the Saudis are currently selling their oil for \$8 a barrel less than, for example, the producers in the British North Sea. One very large question at the OPEC meeting next week in Caracas will be Saudi pricing for the coming year. Beyond that, Saudi Arabia can take over Aramco completely whenever it chooses. For the present, it has left the four U.S. companies with 40 percent of the partnership because, presumably, it wants them to continue as engineers and managers for the fields. With a few more orders on the U.S. companies for internal Aramco data, the Justice Department can succeed in effecting the complete nationalization of the company. But those are tactical considerations, and secondary. It's the principle that's wrong.

The Justice Department seems to be saying that when foreign governments deal with U.S. companies, they become part of the U.S. economic system and consequently fall under the requirements of U.S. commercial law. Canada has formally taken vigorous exception to that idea. So has Great Britain. So will Saudi Arabia.

THE WASHINGTON POST.

## The Diplomacy of Exclusion

You would think a world that despises South Africa's racism and mistrusts its nuclear ambitions would want to keep that country under the closest scrutiny. Yet a majority of developing and communist nations, who abhor or fear the South African government, have just thrown it out of this year's general conference of the International Atomic Energy Agency. Their theory seems to be that efforts to safeguard nuclear power projects will be more effective if confined to nations that like each other.

This was a short-sighted and deplorable decision. The South Africans had been thrown off the atomic agency's governing board two years ago. Theoretically, they remain eligible to return to next year's meeting. But their only plausible reaction is to tell the other conferees where to get off. To the extent that the atomic agency safeguards the development of nuclear power and guards against turning atomic materials into weapons, the entire world stands to lose from the penitence at the atomic meeting in New Delhi.

There are also larger reasons for concern. The diplomacy of exclusion has become an ominously popular sport at international conferences. Typically now, meetings of Unesco, the World Health Organization and other bodies begin with a ritual effort to expel one or another UN member. Israel and South Africa have been the main targets so far, but you can almost smell the trouble brewing for Egypt, which is on "probation" in the club of the "nonaligned" for the sin of associating with Israel.

## Producing Small Cars Faster

There are good ways and bad ways to bend the rules for U.S. automakers. Chrysler, for instance, needs money desperately. One bad way to help would be for Washington to guarantee it billions of dollars with few strings attached. American Motors, on the other hand, needs a waiver of the rule that counts only those cars produced largely in the United States in calculating the average mileage per gallon for an automaker's fleet. The company would like to include in its average a new, small, Renault-designed car that will be assembled in the United States from parts that for a short time will be imported mostly from France. We think the government would be wise to give the waiver. It will provide more high-mileage cars in 1982 and 1983, and more jobs in U.S. assembly plants.

Present law requires that at least 75 percent of a car, measured by the value of its parts, be made in the United States before it can figure in a company's average mileage. This rule was meant to insure that multinational manufacturers like Ford and General Motors would build small cars in the United States rather than selling more cars that they have produced abroad.

But since the legislation was passed, the danger has almost disappeared. The United States is now a relatively cheap place to build cars, with wages and production costs below those of northern Europe. Volkswagen is already producing in the United States, and Ford and GM are rushing to build their own domestic small cars. American Motors wants to get into the act quickly.

The company does not want to evade the 75 percent rule for long. It plans to reach that level of U.S.-made parts by 1984. Considering the cost of French parts, it would probably be delighted to reach the goal sooner. But it cannot get French-designed parts built that fast in the United States.

American Motors found a creative answer to the urgent problem of building small cars when it teamed up with Renault. If the cars that result are included in the company's average mileage figures, American Motors will meet the standard of 24 miles to the gallon in 1982 and the 26-mile standard in 1983. Washington should be equally creative in releasing the company from the 75 percent rule for a few years.

THE NEW YORK TIMES.

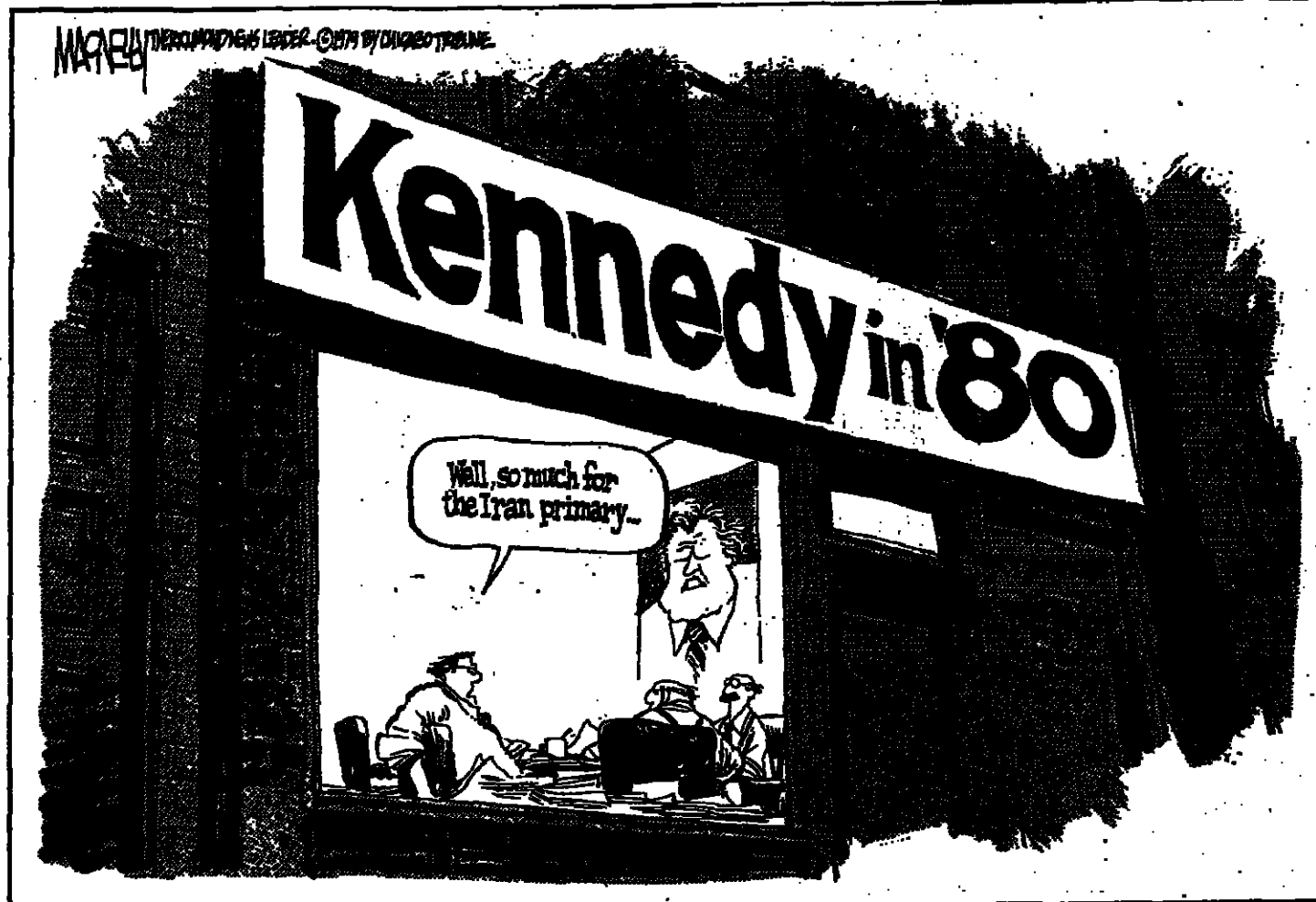
## In the International Edition

Seventy-Five Years Ago  
December 12, 1904

TANGIER — The pretensions of Raisuli, the notorious bandit, to power and influence, are growing up, and now that his sway has been officially recognized, his demands are nothing short of insolent. Knowing the influence Raisuli exerts over the whole region between Tangier and Alcazar, where his exploits have created for him a mixed feeling of admiration and terror, the sultan wrote to him soliciting his power in the restoring of order and of a law-abiding spirit in the rebel tribes. Raisuli, in reply, has informed his majesty that before complying with his wishes, he must officially be appointed governor of the whole district in which the sultan's authority is disregarded, in other words, between Tangier, Arzila and Alcazar.

Fifty Years Ago  
December 12, 1929

AMSTERDAM — The 14-year-old violin virtuoso Yehudi Menuhin, who has arrived in Europe from the United States on a European tour, gave a recital at the large hall of the Concertgebouw in Amsterdam yesterday. The hall was crowded, and the playing of the young musical wonder, astonished the Dutch critics. Menuhin played Bach's Third Sonata with a ripe understanding, as well as the D major sonata of Beethoven. Dvorak's Concerto was played with deeply human sentiment and healthy musical feeling. An enormous tone, wonderfully fine left-hand work and incredibly clever bowing are the qualities critics here particularly admire. Menuhin was given an ovation.



## The Conflict Among Europe's Socialists

By William Pfaff

LONDON — The most interesting and important fight in West European politics today is between left and more left — socialists versus the leftists of their own parties. The left-right problem is, for the moment, settled in Britain, France, and Spain, with conservative or center parties firmly in power.

West Germany will hold national elections next year, but Chancellor Helmut Schmidt's Social Democratic Party will really be defending the center, not the left, against the conservative challenge of Franz Josef Strauss and the CDU/CSU. The left within Schmidt's party is a minority under firm control. The left is also under control in Spain's PSOE, after Socialist leader Felipe Gonzalez's resignation last May and subsequent triumphal re-election.

But in two other big parties of the European democratic left, Britain's Labor Party and the French Socialist Party, the left is ascendant. It controls Labor's National Executive Committee, and since the Labor Party's defeat earlier this year by Margaret Thatcher, the Labor left has successfully imposed itself upon the party's manifestos and the selection of candidates for Parliament. It also intends to see it that Labor members continue to behave after they are in Parliament by forcing them to be re-elected for each new election.

### Vulnerable

Since the local party organizations, which do the selecting, are vulnerable to committed people willing to attend meetings diligently, debate into the far hours of the night, and pass their resolutions after everyone else has fled in boredom, this promises a list of Labor candidates for the next general election who scarcely will share the sunny ideological pragmatism of ex-Prime Minister James Callaghan. Callaghan and former Chancellor of the Exchequer Denis Healey were conspicuously humiliated by the left at the Labor Party conference this fall.

The man riding high at this moment is Tony Benn, ex Anthony Wedgwood Benn, son and heir of the Viscount Stansgate, who for the past decade has been doing his energetic and humorous best to become, as they said of Franklin Roosevelt, a traitor to his class. The measure of his success is indicated by the fact that he is the one most often mentioned as the next leader of the Labor Party and candidate for prime minister. This, of course, does not mean that he is really the man most likely to take over. It is suggested that he is a trifle lightweight for the job. But, then, people said that of Mrs. Thatcher in the Conservative Party, and they have ever since been eating their words.

### Collapsing in France

In France, the Socialist Party, defeated in last year's parliamentary elections, has subsequently been slowly collapsing into its two natural parts. The old social democratic half, discredited by its compromises with colonialism in waging the Algerian war, never was very comfortable in the party's electoral alliance with the Communists. But it is not much more at ease with those young people, influenced by anarchism, Catholic social thought, and the revolutionary myths of 1968, who became the party's new left when Francois Mitterrand united the mainstream Socialists and the independent leftist groups in 1971. The prospect of power held these disparate groups together until the vote of March, 1978. Since that disappointment, betrayed and derided by the Communists, disillusioned about the future, they have fallen into sterile quarrels, all the more bitter because there is now so little to quarrel over.

The Socialist Party in France has no chance of governing except in coalition. In recent weeks the Socialists and the ex-Gaullist party, the RPR of Jacques Chirac, have made half-hearted moves towards one another, which in theory could produce a new coalition to govern in France very unlike that coalition which President Valery Giscard d'Estaing has always wanted. This one would leave Giscard d'Estaing's friends on the outside, together with the Communists. But this Socialist-

Gaullist rapprochement amounts as yet to no more than an excuse for journalists and politicians to take their minds off more serious matters during the long winter nights.

### Hazy

Inside the Socialist Party, Mitterrand holds onto power by virtue of the support of the new left. Mitterrand, unlike Benn, is not himself a figure of the ideological left; he is ideologically hazy and more interested in power than theory. But ideology is important. The fact is that the Socialists in France and Britain are in crisis for reasons that have mostly to do with ideas, or the lack of ideas.

For moderate socialism — social democracy — today suffers the consequences of having been a success. It has been the most influential political movement in Western Europe

over the last postwar 30 years. Socialist parties have governed nearly all of the West European countries at one or another time during that period, and they are responsible for many, if not most, of the great social reforms of the postwar years.

Socialist ideas of state responsibility for welfare and the economy have become accepted by the political center and most of the right. Socialist notions which before the war seemed dangerous and daring today have become a part of the conventional wisdom. They have become clichés. They provoke their own opposition these days. Socialist successes have produced new problems, new challenges, and the Socialists today have nothing very interesting to say in answer. Socialism, by succeeding, has become a bore to the electorate.

The reaction against socialism

is ideological, but it is also romantic. Socialism, as it is, has made too many compromises with the established and conservative forces of society. It has changed things with people happy. So people look for dramatic and radical alternatives. The socialist left today combines anarchist and Leninist ideas with ecology and popular participation. It thus contains its own internal contradictions — to put it mildly. But people find it exciting and interesting: it has glamour, and the allure of great change. What would happen if it came to control not merely a party but a major government is an intriguing question. But since the leftward drift of the socialist parties has proven, thus far, a drift away from success in national elections, this is not a question we are likely to see answered.

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## A Look at Somalia's Dilemma

By Victor Perry

CAIRO — Ever since the Russians pulled out of the Berbera naval and missile base in November, 1977, Somalia's President Mohammed Siad Barre has been extending his hand to the West. In vain. He has received precious little military aid from the United States and Western Europe, and even economic support is only beginning to trickle in. He feels he has made concessions upon concession to Western demands on his policies, and that the West has let him down.

In July, 1977, Somalia, then closely aligned with the Soviet Union, invaded Ethiopia. Taking advantage of the anarchic situation in Ethiopia at the time, Siad Barre set out to right the evil — as he sees it — of Ethiopian colonialism in the ethnically Somali Ogaden desert. The invasion was undoubtedly a blunder. Somalia, condemned as the aggressor, was soon abandoned by the Russians, who found it more profitable to side with Ethiopia, offer it aid and ideology and establish an alliance with it. So the Russians abruptly pulled out of their Somali bases. And with Soviet and Cuban aid, the Ethiopians eventually expelled the invading Somalis.

### Turned to West

Siad Barre turned to the West for military aid. Actually, he claims he was promised such aid back in the spring of 1977, if he broke with the Russians. There is some basis to this claim, too — except that Somalia's invasion of Ethiopia was the issue for everyone. In any event, he was told that aid would only be forthcoming if he changed his country's image substantially — respect human rights, and resolve to satisfy Somali national aspirations — i.e., reunite all the ethnic Somali territories of "Greater Somalia" in Ethiopia, Kenya and Djibouti — peacefully, rather than by invasion.

This, Siad Barre has systematically set out to do. Since early last year, he has promulgated a new constitution which makes no mention of "Greater Somalia," and has

stopped aiding ethnic Somali rebels in Ogaden. He has affected a reconciliation with dissident Somali expatriates, too; those who refused his offer to return home, have attacked themselves to the Russians and Cubans and operate against Somalia out of Ethiopia.

Siad Barre has sought diligently, with Soviet assistance, to come to terms with neighboring Kenya. And his is one of three Arab League countries which backed the Egyptian peace pact by not breaking relations with Egypt.

Although he stubbornly refuses to totally disassociate himself from the ethnic Somalis in Ethiopia — any Somali leader that did so would lose his job very quickly — Siad has been bending over backwards to present his claims civilly. Witness his Oct. 21 revolutionary anniversary speech to the Somali people, in which he called on Ethiopia to solve their quarrel "in a brotherly manner," and added: "If we look into the future, the people of the two countries will eventually unite... and help each other."

All this was said while Ethiopia systematically moves entire peoples from drought-stricken regions and settles them in Ogaden — turning the nomadic Somalis there into refugees, who are flooding poverty-stricken Somalia by the hundreds of thousands.

Yet Western military aid has not been forthcoming. The Somalis, threatened by Ethiopia, and in the forefront of those pro-Western countries facing Soviet and radical expansionism in the southern Red Sea region, feel abandoned. Egypt and Saudi Arabia have helped with some arms and funds, but this is insufficient.

In off-the-record conversations with Western diplomats, Somali officials state unequivocally that they renounce any claim to neighboring countries' territory. What more, ask the Somalis, can they reasonably be expected to do to prove their bona fides as friends of the West — before they are either swamped by

Ethiopia, or return on their own to the Russians in order to make the best of a bad situation?

European and U.S. officials answer that Somalia's informal assurances are not enough. Siad Barre must publicly and officially renounce his old territorial claims. And they add that Kenya, a true friend of the West, still fears Somali aggression and has asked that Somalia not be rearm. In private conversations, however, they admit that these stumbling blocks to aiding Somalia could be overcome.

The basic problem, it seems, is more general, and difficult to define. Andrew Young tried to put his finger on it when, speaking in a recent interview about the crisis days in Somalia and Ethiopia in the summer of 1977, he said: "There really was a need to work with Somalia. This rather cryptic statement, upon presumably means that Siad Barre, who was just as solidly in power in 1977 as he is today, simply cannot be trusted or depended on."

### Core of Problem

This brings us to the core of Somalia's problem — with both the West and the Soviet Union. The Somalis are a proud people. They are ethnically very distinctive from their neighbors. Also, theirs is practically the only ethnically and linguistically homogeneous African country. But they are few, and their country is backward. Their nomadic heritage has instilled in them a pride and behavioral traits which feed a distinct communications gap between themselves and outsiders.

The West is today witness to the tragic consequences which result from the extreme misunderstandings which occasionally color its relations with the Third World — in Cambodia, and in Iran. The Somalis are asking for aid. They are doing their best to understand what the West wants of them, but they cannot and will not alter their basic makeup.

The United States, it is believed, should reconsider its attitude to Somalia in this light. It should make greater efforts to reconcile Somalia and Kenya — the only two stable, pro-Western countries in the region — for their own good. It should do so before it loses what little is left of its former influence in the Horn of Africa.

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## The Idea Man From Illinois

By Tom Wicker

WASHINGTON — The Democrats nominated Gerald R. Ford for president in 1976. Who? For president in 1976? That makes it conceivable that the Republicans might nominate Who? in 1980.

Well, if the Grand Old Party nominate Rep. John Anderson, Illinois next year, the case among political buffs is that just might elect him, too. (There's the rub!) For the further census is that the party of Carter, Nixon, Thurmond and Reagan won't accept a man who bills himself as "the only moderate in race."

And that, combined with a son's relative anonymity, less the conventional judgment of campaign: "Anderson? Best runner on either side. B course he can't win." Conventional wisdom has wrong before, and none other Gerald Ford has observed Anderson that he "could surprise people." His major asset is that he is the one Republican who reasonably expect to win large numbers of Democrats to his camp a general election — particularly a bloody Carter-Kennedy split resulted in a Democratic split.

His weakness, of course, is that of strength — it makes a subject of suspicion, as not "stream Republican," among party stalwarts who serve a gates to the national convention. This debility has so far shied with the dread "can't win" label.

Anderson, 57, a blithe sociated by all to be one of the orators in the House, and who third-ranking Republican to live above such pessimistic expectations. In an era when tions derive more from pith than from party strength (admittedly, in the Republican in the Democratic party), he New Hampshire offers just if of opportunity he needs.

### Small Enough

It is small enough that a date with limited means — voted in Anderson's case — get through to the voters. state with enough of a modern public tradition that he hope to win a substantial vote on that side of the fence, rivals divide up the conservative. And with so many R cans splitting the total, Anderson hopes that might give him third-place finish.

If that could be repeated following week, the anonymous "win" label would be simple moved. Anderson would be to break through in Midwest states in Wisconsin and Illinois — both of which, he has elected Republican errors of views not dissimilar.

A pipedream? Not more the one that must have Jimmy Carter four years ago. Carter's subsequent example experience in the White House, cautionary, Anderson is an earned Washington hand which years in Congress has won a spect even from those who his views. Were he not run president, he could be a strong state to succeed Democrats Adlai Stevenson 3d, who is (and that's the more promise many of Anderson's colleagues he would make).

He has just introduced, for people, legislation embodying 150¢ gasoline tax scheme. It impose a 50-cent-per-gallon gasoline and diesel fuel, this billion a year; \$46 billion would be used to cut the Social Security tax rate by 50 (actually from 6.13 to 3 p. That would be worth \$626 a single-worker family \$20,000 a year — enough the tax on 1,252 gallons of gasoline).

The other \$13 billion would fund a reduction in employer's payroll tax from 6 percent — an anti-inflation (since the tax is usually through to prices) the new preserve jobs. Not incident 50-50 scheme might cost 10 percent of present gas consumption.

Anderson gives energy priority, since he believes it foreign policy, our economic prosperity all hinges on solution to the energy crisis. One of his more interesting not yet fully developed — "countertrade" of oil — nations to deal with OPEC one-to-one basis, as an chaser for all, and as an authority in case of shortage a cartel, he suggested might also "give non-OPEC ferred access to our markets. Wishful thinking? John Says who?

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# The Man Park Foe, Freed in Seoul, Faces an Uncertain Future

By Henry Scott-Stokes

SEOUL, Dec. 11 (NYT) — The house is low, one story with a small garden and a huge Alsatian dog in the yard. A sign fixed to the front entrance bears the three Chinese characters for "Kim," "Dae," "Jung" in the Korean readings, "Kim Dae Jung." The outside walls are surrounded by barbed wire.

Security is a first consideration for the house's owner, Kim Dae Jung, a 54-year-old man with a friendly, smiling face and a healthy brown complexion. His wife, Lee Hi Ho, a 50-year-old woman, appears to be a social worker, appears to be a social worker, appears to be a social worker. Her and a stiffness in her body suggest that Mr. Kim's three years of imprisonment, in prison, in a hospital and under house arrest — have affected her greatly.

Mr. Kim, who is in line for the presidency in 1980, is a visitor in his book-lined study. "But my wife is troubled by the fact that I suspect it comes from before and during those cold prison days. I feel she is for hours to deliver petitions."

He referred to a second source of rumors that he was a Communist. "I participated in the Preparatory Committee for National Foundation, joined by leftists and rightists, when I was 21 (in 1946) in Mokpo, a southern port on the Yellow Sea."

Mr. Kim said that the charges were not brought up during the 1971 presidential elections, adding, "If some of Gen. Chung's charges are true, how could President Park, my political enemy, not have used them against me?"

The worst period of his detention, said Mr. Kim, was the final two months, starting in early October, when he was held in his home, surrounded by about a hundred police and KCIA people. "They scared the neighbors. And when some of them wanted to sell their homes, they found that their values had plummeted — they were unsalable. That was an impossible time for my wife and family, under constant pressure 24 hours a day from the police," he said.

"I asked them repeatedly to be taken back to prison. My wife went three times to the local police station to make the request on my behalf — when she went there, or to the market she also always had police and KCIA agents with her, but the police always refused what I asked."

Small as he is, Kim's bookshelves are lined with English-language works of popular fiction, including a translation of Tolstoy's "War and Peace," and a copy of "The Idiot" by Dostoevsky. "I read in prison, and I read in prison," he said.

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Residents of a drought-stricken village in eastern India buy grain from a roadside bazaar.

## Program Started After Poor 1974 Harvest

### Large Grain Stocks Ease India Drought

By Michael T. Kaufman

NEW DELHI, Dec. 11 (NYT) — By all accounts India is suffering from one of the worst droughts of the century.

The harvest of the staples, wheat and rice, is down by as much as 20 percent and hunger, a constant fact of life for most Indians, is intensifying.

Yet, in the midst of a dull national election campaign devoid of issues, no candidate has sought to exploit the crop failures. Indeed, all three contenders for the prime ministership seem to share the view that the federal and state governments are coping well with the calamity — a position upheld by agricultural specialists from international agencies and foreign legations.

Reserve Program  
Furthermore, all of the major candidates justifiably claim credit for having helped avert the large grain reserves now being distributed to ease the situation.

After the poor harvest of 1974, when millions were forced to roam in search of scarce food, the government, headed then by Indira Gandhi, began buying grain to build reserves. This decision was followed by four bountiful harvests, which led some planners to conclude mistakenly that Indian agriculture had

developed to a point where it no longer depended on the annual monsoon and on assistance from abroad.

The privately held stocks are now being doled out in traditional loans and advances to villagers. Meanwhile, the government stocks are being shipped to so-called fixed-price stores or are being distributed through emergency work-for-food projects set up by the states.

Reserves also are given to those who have been registered as indigents, usually widows without children, or orphans.

Despite such measures there are reports of people eating roots and leaves, and in some districts cattle are said to be dying for lack of fodder.

Signs Encouraging  
Nonetheless, one can drive in affected states such as Haryana, Rajasthan and Bihar and see no striking signs of deprivation. Officials in those states say that there has been some movement of men looking for work but that this has not been reflected in the large numbers of beggars who usually appear in cities in times of famine.

The Times of India has surveyed districts described as being among the hardest hit and has concluded that given the scale of the crop failure, "the surprise is not that there is so much distress, hunger, gloom and despondency in the area but that the situation is not a lot worse."

## Harrisburg Firm Borrowed to Pay August Dividend

HARRISBURG, Pa., Dec. 11 (UPI) — The parent company of the firm that operates the incapacitated Three Mile Island nuclear plant borrowed money to pay third-quarter dividends, totaling \$15 million in August. It was disclosed yesterday.

The disclosure was made by Fred Hafer, vice president of General Public Utilities (GPU), on the first day of the state Public Utility Commission's hearings on whether the Metropolitan Edison Co.'s license to operate the plant should be revoked. The hearings are expected to last two months.

The treasurer of GPU, John Graham, said that the company did not have to borrow to pay a similar dividend last month because of the payment of a Pennsylvania Electric Co. dividend to GPU. "But we will have to borrow part of the money if a dividend is paid in February," Mr. Graham said.

The commission postponed for a week a decision on Metropolitan Edison's request for separate consideration of a proposed \$55-million rate increase, effective Jan. 1, to recover money that it has already spent to provide electricity.

## Spanish Burial for King

MADRID, Dec. 11 (AP) — The corpse of King Alfonso XIII, who was overthrown in 1931 and is a grandfather of King Juan Carlos of Spain, will be brought from Rome in January for burial north of here, political sources said today.

No Advance Notice  
Kim Jae Kyn said the secretary had no advance notice of the assassination plan and volunteered that he would probably have killed Kim Dae Jung along with the others if the secretary had raised any objections during the shooting.

Kim Dae Jung has testified that he knew nothing of an assassination plot before he went to the fatal dinner site with the president.

# After U.S. Charged It Was Blocking Aid Cambodia Accord Seen on Relief Moves

By Ellen Hume

WASHINGTON, Dec. 11 — After White House charges that they are deliberately blocking relief efforts, Cambodian officials have agreed to concessions that could ease the aid bottleneck in their stricken country, representatives of relief agencies say.

Officials of UNICEF, the International Red Cross, the American Friends Service Committee and other groups said at a meeting here yesterday that Cambodian officials agreed last weekend to the following changes:

• Total monitoring by Red Cross officials of supply distribution from at least one shipment, a Dec. 14 flight to the provincial capital of Siem Reap.

• Acceptance of French technicians to repair the French-built railroad from Phnom Penh to the port of Kompong Som, where supplies are reportedly stacked up in warehouses.

• Direct flights over Cambodia from Bangkok to Phnom Penh, which will save time and fuel and allow larger shipments. Previously, flights from Bangkok to Phnom Penh had to be routed around politically unstable northwestern Cambodia, where Khmer Rouge forces remain.

• The problems of distribution do exist. There is a backup at the port of Kompong Som. But it is a problem not of ill will but of organization, lack of skilled people to set up and run a government, hesitancy to take initiatives, lack of trust in the international organizations and lack of equipment," said a spokeswoman for the Indochina Project, a relief group that sponsored the meeting here.

Relief workers who have just returned from Phnom Penh reported that the meeting that 25,000 tons of supplies are being stored in Kompong Som, which has a warehouse capacity of 45,000 tons.

"Yes, we are very concerned, but over the weekend everyone felt they had made major breakthroughs in urging the Cambodian government to do something," the spokeswoman said.

## 5 Die as Small Plane Hits House in Italy

FORLI, Italy, Dec. 11 (AP) — A private jet plane crashed into a small villa last night, killing the aircraft's three occupants and two persons in the house in a suburb of this northern Italian town, authorities reported today.

The small plane was getting ready to land at a local airport, less than a mile away, when it hit the villa. Visibility was poor, authorities said.

House statement last week, accusing the Cambodian and Vietnamese governments of deliberately blocking the relief efforts, may have helped, because it pressured UNICEF and the Red Cross to bring concessions from the Cambodians, she said. "They impressed on them the fact that the world community is watching... If they don't get

the supplies out to the people, they may not get any more," she said.

Still being negotiated is a Red Cross proposal that East European planes be used to distribute supplies in the politically sensitive northern provinces of Cambodia. The spokeswoman said that the officials who met yesterday obtained agreement for using a Laotian plane for such distributions.

The recent refusal by the Cambodians to accept planes carrying cranes and trucks to Phnom Penh was "a problem of communication," the spokeswoman said. The nine cranes and 10 trucks, donated by UNICEF and the Red Cross, are now on barges going to Phnom Penh, she said.

© Los Angeles Times

## Daniel Koshland Dies; Ex-Head Of Levi Strauss

SAN MATTEO, Calif., Dec. 11 (AP) — Daniel E. Koshland, 87, a former president of Levi Strauss & Co. who helped guide it through an era that popularized blue jeans, died last night in Mills Memorial Hospital.

Mr. Koshland, who served as president from 1956 to 1958, was a director and honorary chairman of the board's executive committee at the time of his death.

Mr. Koshland joined Levi Strauss in 1922 and served as vice president and treasurer, before becoming president of the company. He helped lead the clothing firm during its greatest years of growth in the 1950s and 1960s when blue jeans increased in popularity around the world.

Mr. Koshland joined the company at the invitation of his brother-in-law, Walter Haas in 1922 when it was a small regional clothing wholesaler and manufacturer of work clothes. Mr. Haas died Friday at the age of 90 and was buried yesterday.

## Priest Charged In South Africa

CAPE TOWN, Dec. 11 (Reuters) — South African security police have brought charges against an Anglican priest who attended an annual church synod last month despite a banning order that excludes him from gatherings.

The Rev. David Russell, an outspoken advocate of black rights who works mainly among blacks and has been closely involved with the problems of squatter camps around Cape Town, was ordered yesterday to appear in court on Jan. 25 to answer two charges of violating his banning order, police said.

A five-year ban, imposed in October, 1977, during a government crackdown on anti-apartheid protests, confines Rev. Russell to his district of Wynberg. He must stay at home after 6 p.m. and during weekends, and may not speak in public, write for publication or be quoted by the media.



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# INTERNATIONAL Herald Tribune

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PARIS, DECEMBER, 1979

## Italy

### Facing Slack Period of Trade Slowdown, Weak Growth

#### Western Alliance Backed

By Linda Bernier

ROME (IHT) — The Italian parliament's vote last week in support of the U.S. drive to modernize nuclear defense in Europe by increasing and deploying 572 French and Cruise missiles was by American diplomats as a vote, for both domestic and international political reasons.

The vote was essential for maintaining the nuclear balance, and it is politically important for Italy to make such a clear commitment to NATO," said the U.S. ambassador to Italy, Richard N. Good.

He noted that despite the largest Communist Party in Europe, "Italy has shown itself firmly in the NATO camp and demonstrated a positive leadership, courage and loyalty."

The vote, after a three-day debate and weeks of public discussion and coverage, gave the proposal of the Cossiga government a stable majority — 313 for and 107 against.

The vote in support of modernization included the Christian Democrats, Liberals, Republicans, Social Democrats, neo-Fascists and a majority of the Communist Party. Those opposed included the Italian Communist Party (PCI), Radical Party and extreme-left parties, according to an informed source who indicated there was considerable concern as to how the Socialists would vote.

According to some political observers, the vote had the effect of strengthening the official position of the PCI, which has been having a difficult time balancing its support of NATO and commitment to the Soviet Union.

Like the leadership of the Socialist Party, the PCI leadership frantically opposed NATO modernization, looking at the global balance of European nuclear defense as a question of whether an imbalance exists, calling for arms control measures before upgrading Europe's nuclear capabilities.

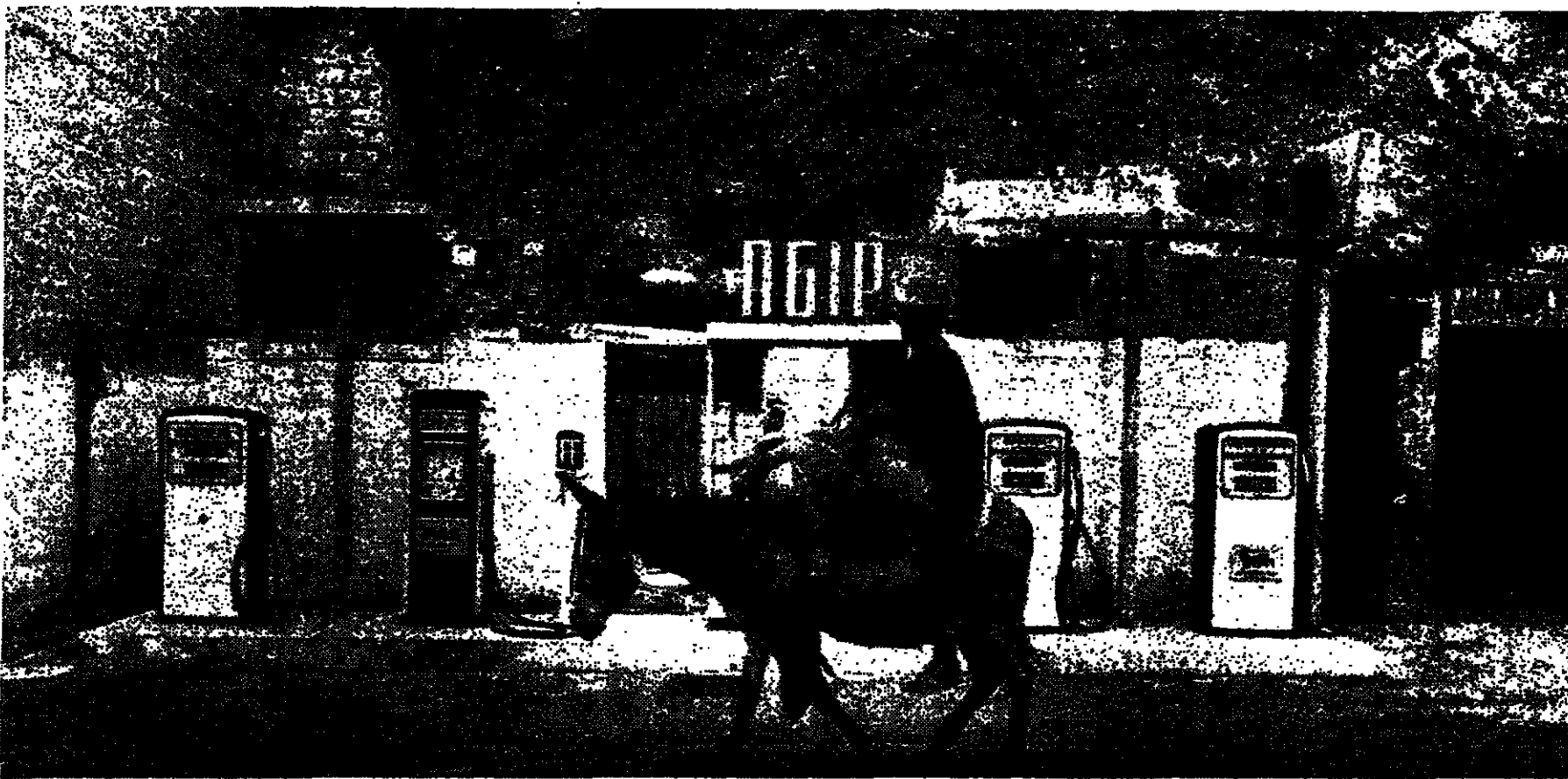
Italian opposition voted on arms control, but unlike European proposals, does not seek to delay deployment of the arms until arms control measures are initiated.

Dr. Nordio, 60, who came to Alitalia in 1972 as general manager after 25 years in the shipping industry, embarked on a three-way offensive to make the airline more efficient.

He revamped the company's management structure, reducing the number of management levels, delegating routine administrative decisions while centralizing most staff functions and more clearly distinguishing areas of responsibility.

He eliminated nonproductive routes like the Trans-Siberian route via Moscow to Tokyo, Milan-Tunis, Rome-Palermo-Tunis and Tunis-London, suspended service to 10 cities throughout the world and four cities in the U.S. — Chicago, Detroit, Philadelphia and Washington, while improving service to more profitable markets — in the United States and Middle East.

Modernized Fleet



Old and new sources of energy are still used in rural Italy.

### A Three-Way, Profit-Making Offensive

ROME (IHT) — At Alitalia they like to call him the man who helped turn around the Italian airline industry. Dr. Umberto Nordio, president and chairman of Alitalia.

Under his creative leadership, they say, the government-owned airline emerged from seven years of financial losses to a \$12-million profit on revenues of \$996-million in 1977.

And they point to a variety of facts and figures to dramatize the extent of this achievement.

From the oil crisis year of 1973 to 1978 Alitalia has increased its number of passengers from 5,949,000 to 7,500,000 and its freight-ton miles from 274 million to 339 million.

Career in Shipping

According to the International Air Transport Association (IATA), Alitalia ranks ninth in passenger freight-ton distances performed among the world's leading international airlines. It is the 11th largest firm in Italy, according to a report by Mediobanca.

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Modernized Fleet

And he modernized Alitalia's fleet, phasing out DC-8s and DC-9s, acquiring a new fleet of 747s, DC-10s and Airbus. Today Alitalia has a fleet of 64 jet aircraft, down from 83 in 1973, and has plans to purchase between 23 and 29 727s, 747s and Airbus within the next three years.

But Alitalia's future is not completely cloudless. The possible renewal of its route franchise by the government, the uncertainty of fuel supplies and domestic labor strife, and the threat of U.S. deregulation of international air fares, its "open skies" policy, all make for a shaky future.

This past year Alitalia will be close to breaking even, perhaps slightly in the red, said Dr. Nordio, pointing out that the

grounding of DC-10s by the U.S. Federal Aviation Administration, the fuel crisis — a 39-percent increase over last year's shortage of jet kerosene fuel, 40 days of strikes by cabin attendants and sporadic strikes by air traffic controllers cost the company more than \$90 million.

Dr. Nordio is hopeful that there will be no repeat of the DC-10 groundings, a much criticized U.S. action by European airlines who blame faulty maintenance and pilot error for recent crashes of these planes. And he is hopeful that some of the causes for labor discontent will be alleviated.

"It doesn't make sense that air traffic controllers often make 10 times less than the pilots overhead who depend on them to fly," said Dr. Nordio. A recent government decision will eventually change the status of air traffic controllers from military to civilian personnel, thus increasing their salaries.

Traffic Increase

But, noted Dr. Nordio, because of the tremendous increase in air traffic in recent times without adequate increases of ground support, problems such as understaffed air traffic controllers are likely to continue for all airlines in the near future.

"Italy suffers perhaps more than other countries from lack of ground structures," said Dr. Nordio, pointing out that its two

main airports, in Rome and Milan, are in comparatively worse shape than other major airports.

The labor situation is also more critical than in other countries — with more strikes and absenteeism, he said, adding, however, "you can't blame the unions. They only reflect the existing social tensions."

"Labor problems can't be cured by direct actions, but by easing the general tensions, which takes time," said Dr. Nordio, a staunch believer in fiscal and monetary policy as compared to direct government intervention to ease economic problems.

He believes the Andreotti government accomplished much to reduce Italy's inflation rate, which although it is increasing, is less rapid an increase than in other countries. An unstable domestic political situation as well as uncertain sources of energy supply, make it difficult to formulate economic policy in Italy, he said.

According to Dr. Nordio, energy is the major problem for the Italian economy, which imports 75 percent of its energy needs.

Despite the unpopularity of such measures, particularly in such unstable political circumstances as in Italy, Dr. Nordio says, "Governments should be more courageous, prompt and decisive about taking unpleasant action to control the increases in the consumption of oil."

Public Sector

The public sector continues to run a huge spending deficit, and parliamentary obstructionism of the government's 1980 budget proposals is throwing doubt upon its ability to hold the deficit next year within a target of 40 trillion lire.

This could add further fuel to inflation, currently running at an annual rate of 20 percent, at the same time as restricting still further the availability of credit to finance expansion in private industry. Even if the government manages to win approval for its economic policy pro-

posals, which in the current delicate state of Italian politics is beginning to look difficult, a growth rate of more than 2 percent for the economy next year appears out of the question. In the first half of 1980, the economy is expected to stagnate or even to contract slightly.

None of this bodes well for hopes to reduce unemployment, now at 8.3 percent, and the government's failure to produce satisfactory answers to union demands for guarantees on purchasing power, job creation and other issues is leading to a confrontation with labor leaders which can only worsen the already poor economic climate.

In the first 10 months of this year, the number of working hours lost due to strikes rose to almost three times the level of last year. A number of Italy's biggest industrial firms, including Fiat and Italsider, the state-controlled steel group, were hard hit by strikes earlier this year. And although several major three-year industrial labor contracts have now been renegotiated, further labor disputes are likely as unions press demands for more pay and job guarantees at the level of individual firms.

On the government front, many of the wide-ranging legislative proposals of past administration for reform of public finances and restructuring of crisis-stricken industries have not yet been implemented. Some of Italy's biggest industrial companies, including the Pirelli tire and cable group, chemicals firms SIR and Liquichimica and synthetic fibers company, Montefibre, are still faced with severe financial difficulties because of their heavy debts.

In the automobile industry, Italy's two major car manufacturers, Fiat and state-owned Alfa Romeo, face another difficult year in 1980. Strikes earlier this year cost Fiat production losses of 200,000 cars, and the company expects its automobile subsidiary to make an operating loss in 1979.

Labor disputes have been a severe problem both at Fiat and at Alfa Romeo, which has been losing heavily for years. Fiat recently reacted to what it described as violent and aggressive tactics among some shop-floor agitators at its plants by firing 61 workers, sparking off a major national confrontation with the unions.

Italy's controversial system of wage indexation, the *scala mobile* which has been condemned by many economists for simply fueling inflation, is likely to ensure that at least a part of any loss in real earnings is made up for with automatic quarterly wage increases.

### Trastevere — Rome's Naples

By Marie-Claire Saramite

ROME (IHT) — Five years ago, when I was thinking of taking an apartment in Vico del Leopardo, I was told that I was out of my mind. Trastevere is the headquarters of the "leopardi" (robbers) and I would surely regret moving to that side of the Tiber. But I liked the flat and refused to be discouraged.

One morning, I drove to Vico del Leopardo to move some of our belongings, and parked my car. A few rather tough-looking men were watching me. I got two heavy suitcases out of the car and started to carry them up the steep staircase to the third floor. One of the men smiled and shouted, "Are you coming to live here? Beware of the robbers!"

"Thank you, I know," I answered. He offered to help me with the suitcases. I accepted. When we got to the top floor, he asked: "What do you carry in that? It's so heavy."

"Want to see?" I replied. His eyes opened wide. "Yes," he said.

I opened the suitcases. His face dropped when he saw books, only books. He ran down the stairs, protesting that there was nothing to steal. That was my introduction to Trastevere.

Tourists enter Trastevere loaded with cameras and bags and leave stripped. But that happens all over Rome today. Trastevere is dirty, true. The vicolo are covered in garbage, sometimes with dead rats.

Trastevere is to Rome what Naples is to Italy, and if you don't like Naples, you won't like Trastevere. It is where the poor of Rome live, although foreigners and rich Italians are chasing them out. The area is changing, but not as fast as some say. There are still many poor, old Roman families left who created the village atmosphere here and are trying to keep it that way.

It didn't take long to discover the neighbors, who said that whenever friends came to dinner, I should tell someone from the trattoria who would make sure nothing was stolen from the cars of my guests. I got to know every family in the vicolo. One man, the owner of a horse and buggy, would give me a lift in the morning. He refused to take a lira.

Roman Politics

The "Trasteverini" are a great source of information. If you stop and listen, they will teach you Rome and its politics. If you are accepted, they will adopt you and protect you, although if you remain a stranger, they will cheat you.

Along the Via della Scalla every shopkeeper knows you and asks you about your family. In Vico del Leopardo, Zia Rosa (Auntie Rose), who is 86, will offer coffee and talk of Mussolini's days. She lives in one room and spends her time in cemeteries, at christenings and weddings.

Piazza Santa Maria is said to be the oldest in Rome. A miracle occurred there in the Middle Ages when olive oil flowed from the fountain.

This is the meeting point of the village. People stop here, sit on the stairs around the fountain and read their papers.

In the market of Piazza San Cosimato, Lillo sells the best meat at the best price. He gives me a "baciannano" whenever I pass, whether I buy meat or not. And when he has roses, he offers me one. It is a rite.

Golden Grapes

Franco's is for fruit — masses of golden grapes in September, oranges and tangerines with their leaves still on in December.

But the worst annoyance is the traffic. Trastevere is disfigured by parked cars. Most of the poor in these vicolo live on the street and enjoy sitting out on spring and summer evenings. They would put up tables and have a meal or a glass of wine. But they cannot do it any more. So they are frustrated, but, as they are poor, they have become resigned.

The saddest story of Trastevere is the slow emigration. The poorest still live in appalling conditions. For half a century or more, whole families have been living in the same buildings without heat or plumbing. (There is one outside toilet for a four-story building.)

Today, the owners want to get rid of these tenants, who pay only low rents, restore the apartments and sell them to the rich and foreigners.

And the village loses them. If this continues, in 10 years Trastevere will have lost its soul, and Rome, its heart.



Neighbors chatting in a Rome street.



# Military Strategy: A Delicate Balance With Domestic Politics

By Howard Henry

NAPLES (IHT) — Nowhere in the Western alliance is the relationship between national defense strategy and domestic politics more delicate than in Italy. The country is the home of both the West's largest Communist Party, and of the supreme NATO command for southern Europe, whose task is to defend that region from a military threat from the East.

Italy therefore is both the most important fully integrated component of the alliance's southern flank, and yet the most apparently vulnerable to a profound shift in its defense outlook. The danger indeed reached its height when the Communist Party (PCI) came within 5 percentage points of becoming the largest single party, ahead of the long ruling Christian Democrats, in the June 1976 general election.

It is no surprise then that the "Italian question" has so preoccupied Western diplomats during this decade — not that successive American governments have felt the need to make public, and highly controversial, statements about the unsustainability of Communists taking ministerial office in Italy. It is also understandable that one of the loudest sighs of relief at the severe setback of the PCI in the summer election came from the planners at allied headquarters here in Naples.

But the situation in domestic political terms has been far less clear-cut. Whatever their ideological reservations, the Christian Democrats have been forced by the realities of life in Italy to move steadily towards some form of accommodation with the Communists.

This process culminated in the agreement for the PCI last year to join the parliamentary majority supporting the minority Christian Democrat administration of Giulio Andreotti — until its collapse and this year's general election.

An unwritten part of the deal was a tacit compromise that the defense question, which inevitably goes to the heart of any argument over the real intentions of the PCI should it come to power, would not be aired too loudly by the Christian Democrats. The Communists in turn merely stressed their good faith and their unshakable acceptance that Italy's place was in the West and in NATO.

It suited everyone indeed to foster the assumption that the matter might rest there, that Italy's real defense was being looked after by the United States. After all, were there not major American bases in the north and at La Maddalena in northern Sardinia, and were not NATO commands firmly installed on Italian soil?

A less welcome byproduct of these arrangements was that the Italian armed forces were largely neglected. Political concern was slight, and weaponry grew in some cases obsolete. Spending on arms came near the bottom of the government's priorities, especially as the latent social tensions in the country moved steadily closer to the surface.

## Rules to Change

However, the rules of this convenient game are now set to change. The reasons are twofold, and closely related. The first is the growing strategic importance of Italy within the Atlantic alliance, in a period of deteriorating East-West relations. The second is the vexed question of a new generation of NATO "theater nuclear weapons" to be deployed in Europe, to correct the patent military imbalance in favor of the Warsaw Pact.

Effectively, Italy is the bulwark of the southern defenses of NATO. To the west, Spain remains still outside the alliance, Portugal suffers from deep internal difficulties,

while France since 1966 has not been part of the military command (although in naval affairs particularly, Paris works informally but closely alongside NATO in the Mediterranean).

To the east there is the Greece-Turkey imbroglio. Constantine Caramanlis has followed de Gaulle's example in taking Greece out of the NATO military structure, while Turkey is highly unstable. All the while the two countries are at loggerheads over Cyprus, Aegean oil and so on.

The Mediterranean which surrounds 5,000 miles of Italian coast is now the theater of a huge naval buildup by the Soviet Union, although NATO still retains superiority thanks to the U.S. 6th Fleet. Meanwhile to the northeast there is Yugoslavia. Italy would be in the front line, should the U.S.S.R. attempt directly, or indirectly, to gain control there after the death of President Tito.

These factors have all contributed to increasing pressure on Italy from its allies to modernize and strengthen its armed forces. Belatedly this is now happening, and for 1979 the real increase in military spending (to 5,119 trillion lire or about 2.5 percent of gross domestic product) should match the 3-percent target laid down by NATO defense ministers.

The total available for modernization is 1,296 trillion lire, although whether all this actually is spent will depend on the ability of the chiefs of staff to chase things through Italy's notoriously slow bureaucracy. The *residui passivi*, or unspent allocations, are the blight of public expenditure of any kind in the country.

The goal is a slimmed down, highly mobile defense force, yet packing very high firepower. The trouble is, as senior Italian military planners admit, that the slimming

down has already taken place, but that the all-important renewal of equipment will not be completed until 1985.

The army has reduced its overall troop strength by around a third, to around 260,000 men of which 200,000 are conscripts. Like all three forces it shares the general resentment at neglect by politicians. But this neglect may well have speeded its integration into NATO, above all on the northeastern front where most of the crack divisions are situated, facing Austria, Yugoslavia and the Gorkia gap, the historic route of invaders into Italy from the east.

## Special Law

Reconstruction started earlier perhaps for the navy, as a result of a special law dating back to 1975. When the process is completed, the tonnage will be relatively small at 105,000 tons. But the force will conform well to the perceived role of Italy as essentially a support naval power in the Mediterranean, complementary to the battle groups of the 6th Fleet and concentrating on heavily armed, very nimble light cruisers, missile frigates and destroyers.

The most radical overhaul however is taking place in the air force — perhaps because the previous inadequacy of its equipment was most serious. Within four or five years that should change completely. In 1981 Italy will take delivery of the first Tornado multirole combat aircraft, jointly produced by itself, West Germany and Britain for their three air forces. These will serve alongside F-104s, whose life is being stretched into the early 1990s, and the new all-Italian AMX.

This last, a battlefield support and short-range interceptor, will be jointly built by Aeritalia, the state-owned aircraft manufacturer, and the privately controlled Aer-Mac-

chi. It is to replace the aging and outdated Fiat G-91, and the Italians are not without hopes of achieving useful export sales as well.

But the most important boost to Italy's defenses, even though control will probably remain with NATO commanders, would be the new missiles — 108 Cruise missiles to be exact — which will be deployed from 1982 as part of the NATO updating program.

With various nuances, the five parties which either directly or indirectly cooperate in keeping the present minority government of Francesco Cossiga alive, are agreed. Italy should accept the go-ahead for the missiles, but at the same time insist that negotiations with the Warsaw Pact on arms reductions in Europe be proposed simultaneously.

The Communists have a different point of view. They simply insist that Europe, rather than accept new missiles which could give a new twist to the arms race, should stake all on negotiations. If weapons equilibrium has been lost, then it should be re-established by a process of "leveling down."

The risks that such a divergence could entail, given the fragility of the current Italian political scene, are considerable. In the first place the Communists, whatever their motivation, risk being seen as Soviet stooges playing, deliberately or not, the game of Moscow.

But many prominent Christian Democrats, not least Mr. Andreotti, are alarmed by the prospect of a clear split. In their view, such a development would only make it harder to achieve again the consensus stretching across the constitutional spectrum to the Communists, which they believe offers the only chance of giving Italy an effective government to face the economic difficulties ahead.



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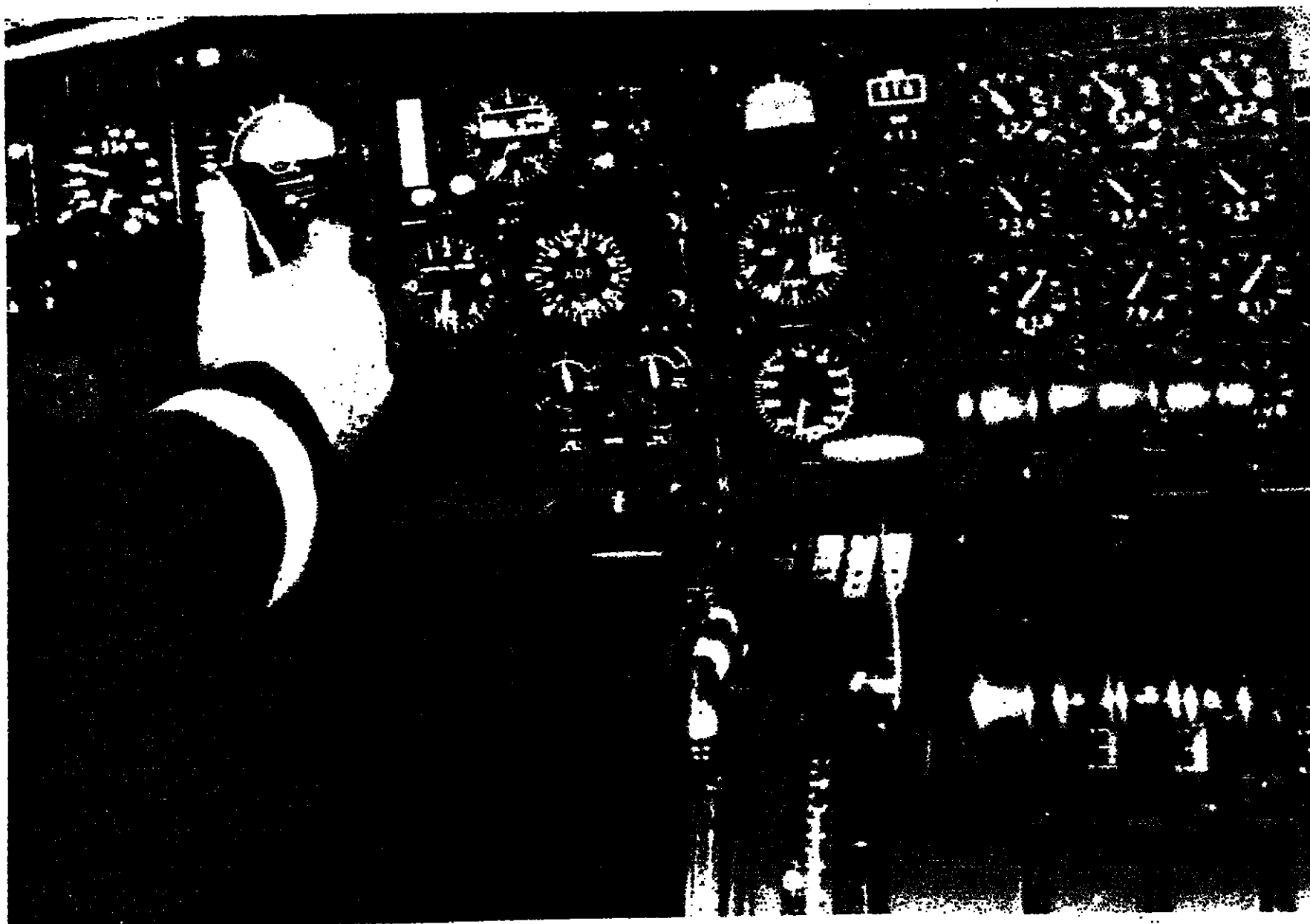
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# Alitalia



## TV Is Blamed for Movie Slump

By Linda Bernier

ROME (IHT) — Many Italians like to say "there are no problems in Italy — only crises." And the Italian film industry, the second largest in the world after the United States, could certainly qualify as another of Italy's current crises.

The annual sale of movie tickets has dropped from 454 million in 1976 to 374 million in 1977 to 317 million last year, according to the film industry union, ANICA.

And although revenues are increasing — 4 billion lire more last year than the previous year's revenue of 343 billion lire, this is due to a 20 percent increase in ticket prices, said an ANICA spokesman, noting that the average movie ticket costs about 1,200 lire.

Movie production has also sagged — from 232 films in 1976 to 156 films in 1977 and 123 films last year, according to ANICA.

Much of the blame for the current crisis is directed at the television industry.

Some producers complain that state television (RAI), introduced in the 1950s, has incurred on their territory in the past three years, producing such international successes as the Taviani brothers' *Padre Padrone* and Fellini's *Prova d'Orchestra*.

But others point out that the RAI has only produced about six or seven films, which is not that much more than 100. And in 1975, 500 million movie tickets were sold, which was about as much as all tickets sold in most of Western Europe.

1975 was the year the Constitutional Court declared the monopoly of state television unconstitutional and within months hundreds of private television stations appeared.

## Private Stations

Today over 400 private stations show about 370 films a week in Italy, many first-run pictures. And that is what is killing the film industry, many say.

The film industry is hopeful that some kind of legislation will be adopted to limit the private TV stations, as the agreement between state television and the film industry not to show more than two films a week on any of the RAI's three channels.

Another piece of legislation introduced earlier this year was the cause for much confusion and cut in half the rate of film production — the proposal led by a group of actors, resentful of English-language films' infiltration into the Italian market, to enforce the 25 percent tax on box-office takings and do away with the 13 percent rebate for English-language films produced in Italy.

Many films with a foreign cast made in English escaped this regulation by coproducing films in Italy, thus considered Italian films. Since facilities for production are enough to make far more movies than can

be consumed in Italy, many films were made directly in English to cut the cost of dubbing and exported.

Last month the Court decided to uphold the 13-percent rebate for such Italian-produced English-language films.

Many in the film industry, concerned about the increasing competition from American and other foreign films, are proposing countermeasures — for example, to force distributing companies for U.S. and foreign films to accept an equal number of Italian films, to require U.S. production companies to put a certain percentage of their profits in Italian banks for a period of time, after which the interest accumulated would be used to finance Italian productions.

But according to Mario Cecchi Gori, head of the Capital production company and president of the film producers' union, the real causes of the current crisis in the industry comes from Italy's general economic and political malaise — instability, strikes, inflation and unemployment, and certain structural problems in the industry — higher costs of production compared to

revenues than other European countries, lack of modern houses and modern man techniques.

"The present economic ical crisis in Italy isn't ex most favorable for writers in. After the war there was in film-making," he said, in period of the Neo-Realist. "It was an economic boom, wh elated creation. But now w fog. No one really knows write about, not even in li said Mr. Cecchi Gori.

But he's optimistic about ture of Italian cinema. Com with television will event worked out. "People are u to abandon the movie ho said.

And return to creative i nomically sound film-m only a matter of time. "Ev industry in the world unde ups and downs. Before it Germans and Americans. the Italians.

"But," said Cecchi Gori, the light at the end of the tu

## Best Florence Restaurant Stay Busy the Year Round

By Naomi Barry

FLORENCE (IHT) — Restaurants here get a year round flow of business from heavy tourists, plus buyers coming for the craft studios that supply the boutiques and decorating firms of the world. Yet personnel problems are as difficult as anywhere else — running a restaurant has always been grueling work. Hardly anybody but a boss is willing to take the guff.

At nearly all the "go go going" places in Communist-dominated Florence, a couple of exemplary waiters who smilingly run faster and for a lot longer than most are visible. Chances are they're the ones with little fingers in the pie.

The trend towards making caring "capitalist" out of those who used to depend on handouts in the form of tips may prove a boon to customers paying a higher and higher maximum for an increasing minimum.

"In the future, the only way a restaurant can provide food and service as good as that of a restaurant of the past is to be small," said Leo Vadorini, bar man of Harry's Bar.

A few years ago, Leo and headwaiter Franco Fallini were allowed to buy a minor wedge into this top-flight bar-grill-restaurant.

Leo, who joined the establishment 23 years ago, was taught the metier by the restaurant's founder, the late Enrico (Harry) Mariotti.

"Harry believed in perfection, in doing everything humanly possible to please. I am a slave to his system

and I feel handicapped to cause I suffer when I see less than the best."

As on-the-spot working of the ownership team, Franco is fighting to up old standards, though few are aware that they have cr line. Instead of renting linens from laundries, th continues with its special rose-brick colored tableclo hand-blown Venetian gla fragile, expensive, and exo nice to drink from.

In seafood, they conce sole, shrimp and scampi in from the Adriatic each d homemade pasta is prepar according to old-time gro ... 12 eggs to one kilo flour and 200 grams of s The spaghetti is never hal in advance then plunged i ing water at the last minu many of the lesser establish

Customers who pay in money are given a point or the normal exchange.

"Harry trained us in the that a guest must never ha pression he is cheated in said Leo. "What does it u? An extra \$100 a year friendship."

"I started here when I just out of the navy. I ca boss Zio, [Uncle].



# Abducting Families, Foreigners

By David Willey

**OLBIA, Sardinia (IHT)** — Hidden in caves somewhere among the rugged and remote mountains of central Sardinia, a 15-year-old British girl and her mother, and an Italian pop music couple will most likely be spending their Christmas this year in the hands of Sardinian bandits.

They are the remaining unransomed victims of the summer's crop of kidnappings on the Mediterranean vacation island. Although this year is expected to be a record year for kidnappings in Italy — the high was 1977 when 76 cases were reported — disquieting new features have appeared in what has turned out to be a highly organized criminal industry in Italy.

Multimillion dollar ransoms have become commonplace and the 60 or so kidnappings of the year are expected to get the criminals who organized them ransoms worth almost \$100 million. Multiple kidnappings — husbands and wives, brothers and sisters — have become more common, and foreigners are beginning to figure among the victims of what used to be an Italian domestic crime.

## Foreigners

Three members of the Schild family from London, father, mother and daughter, were grabbed at gunpoint in the early hours of Aug. 21 at the airport of their villa near Palmu on Sardinia's north coast. Rolf Schild, a London businessman, is released by the bandits 15 days later to collect the money for the ransom of his wife, Sophie, and his 15-year-old daughter, Annabel. He has been unable to raise enough cash so far.

After negotiating with the bandits through intermediaries who were beaten up in order to know the kidnappers' displeasure at the inadequacy of the ransom offered, Mr. Schild decided to return to London, leaving his two eldest sons on the island for possible future negotiations. He is a desperate man.

"I have done all I can to scrape together this enormous sum," he said in a written statement for leaving the island. "My finances do not allow me to put together even one-tenth of what the kidnappers are demanding. They are greatly taken if they believe that I have access to apparently inexhaustible funds and satisfy their abid and unreal demands." They are believed to be demanding a ransom in excess of \$2 million.

Italian pop music composer Fabrizio Di Andrè and singer Dori Ghezzi were abducted from their remote farmhouse near Tempio, also in northern Sardinia, six days after the Schilds. Their family emissaries have also been beaten up during ransom negotiations and a ransom offer more than \$500,000 has been turned down.

Other victims have been luckier. Two Italian 25-year-olds enjoying a summer beach party were snatched by gunmen wearing frogskins who acted by sea while they were bathing. They were released after two months of captivity, during which they trucked hundreds of miles on foot, for only \$400,000. A priest was used as a go-between.

In the small poverty-stricken town of Tempio, a single overworked magistrate, Salvatore Pigozzi, is in charge of all criminal cases in an area of thousands of square miles of sparsely populated territory.

He opened up his thin dossier on the Schild case. It contained only a few statements taken by police. He admitted that no great manhunt was going on during the winter months to ferret out the remaining victims of last summer's kidnap season and their captors.

Mr. Pigozzi shrugged his shoulders. "What can you do when we lack the most elementary means to fight this type of crime?" he lamented. The magistrate confirmed that his policy in kidnapping cases is to encourage maximum contact between victims' families and the bandits in order to save lives.

He disagrees with the actions of some of his colleagues in Milan, for example, who have systematically blocked bank accounts in order to prevent the payment of high ransoms.

"My view is that what matters is people's lives," the magistrate said.

Many of this season's kidnappings in Sardinia took place in the area around the Emerald Coast, developed during the past 15 years as a rich man's tourist playground by the Aga Khan. The tiny port of Olbia, one of Sardinia's main tourist ports of entry from the mainland, has expanded into what locals describe as "a miniature Hong Kong" in an orgy of ill-planned speculative building.

Its bars and hotels, empty most of the year, are bursting at the seams during the relatively short summer tourist season from July to September. The tourist boom failed to generate the regular jobs or the prosperity that many Sardinians expected. But well-heeled northern Italian industrialists and wealthy foreigners began building holiday homes around the hitherto unspoiled rocky creeks of this exceptionally beautiful coastline. They exposed themselves to a grave danger — kidnapping, which in Sardinian eyes is only a logical extension of the much more common crime of sheep stealing.

The families who have had members kidnapped have all been owners of expensive villas. The di Andrei-Ghezzi couple had built a complete model farm up in the mountains, but the isolation of their rural idyll proved to be their undoing. They were dragged from their bed in the middle of an August night and more than 24 hours passed before the police were alerted.

## Extra Police

Thousands of extra police were sent to Sardinia from the mainland by an understandably anxious government in Rome led by a Sardinian, Premier Francesco Cossiga. But searching for the bandits and their victims is like looking for the proverbial needle in the haystack. The mountainous nature of the island, which has few roads, the sparseness of the population — it has the lowest density in Europe — and the noncooperation of local shepherds who know that the price of giving information to the authorities is high, mean that the police face an almost hopeless task.

Sardinian banditry has also spread to the Italian mainland. A whole series of kidnappings by Sardinian gangs in central Italy, which have often ended in the murder of the victim when families failed to meet payment demands or the wrong hostage was taken in error, have been recorded by police during the 1970s.

The trial of the alleged kidnapers of 11-year-old Claudio Chiacchierini who was dragged from his parents' home near Rome in 1976 and kept chained to a tree for 18 days until his abductors accepted a ransom of 1 billion lire, has been going on in Rome for two months. The nine suspects in the case were arrested by police on information provided by an informant.

The informant's family has received blood-curdling threats of revenge from members of the gang still on the run. A letter to his wife said simply: "It would be better if your husband jumped himself in prison, otherwise he had better start digging his grave. And we shall kill you and your children as well." There is a serious risk that the case for the prosecution will collapse unless this key witness gives evidence.

## 5 Convictions

Another trial of a Sardinian kidnapping gang ended successfully in Rome earlier this year with five major convictions amounting to 69 years of imprisonment.

The list of kidnapping victims who, over the years, have failed to return to their families is long. The same gang now on trial in Rome for the Chiacchierini crime is due to be tried again next year for the abduction of 31-year-old businessman, Nazzareno Fedeli, who was seized near Rome in 1977. The police say he was murdered when his family was unable to pay a large enough ransom and that his body was dismembered and fed to pigs to avoid discovery.

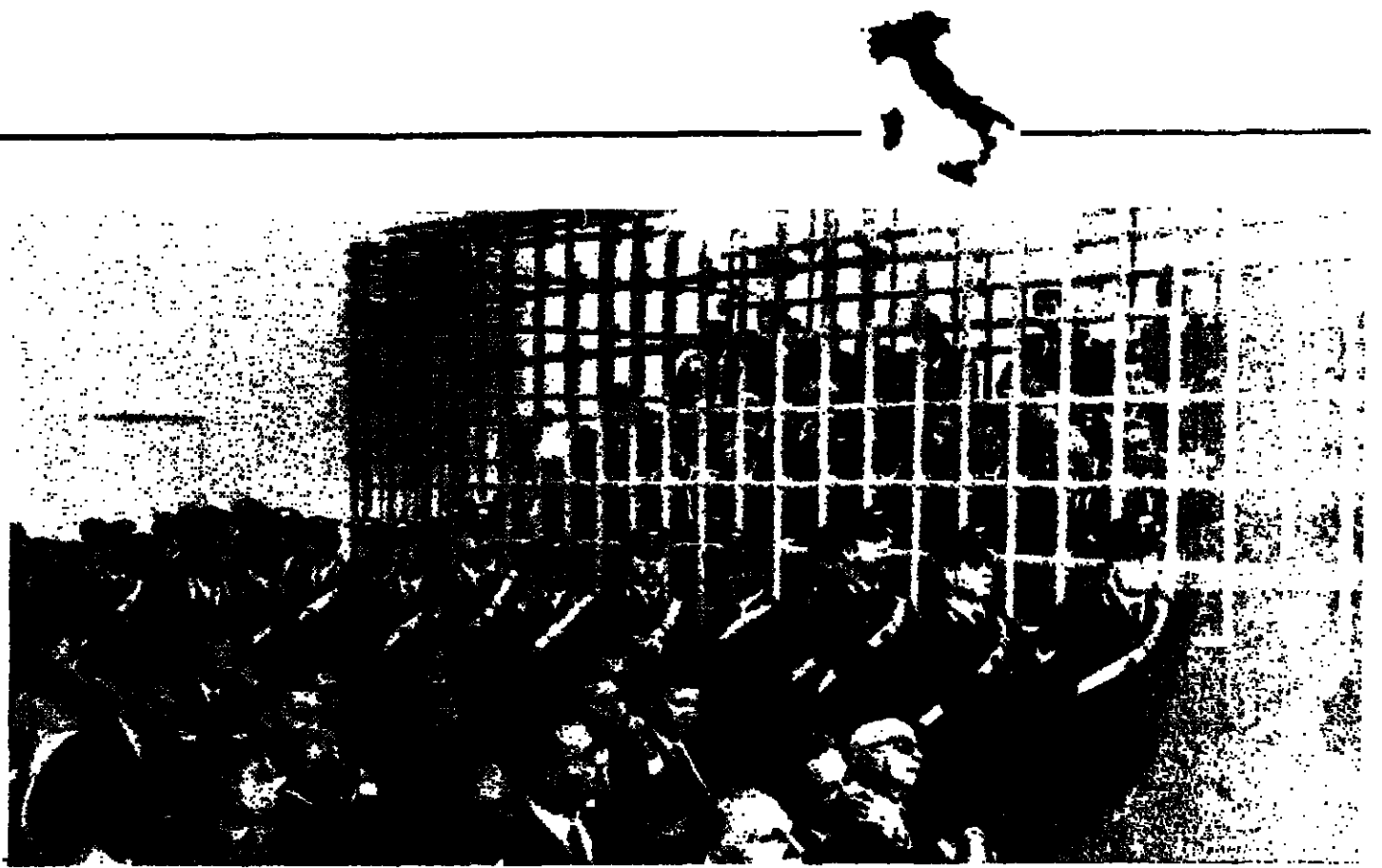
## Use of Army

Interior Minister Virginio Rognoni told parliament in Rome recently that he would "not be averse" to sending the army into Sardinia on maneuvers to clean up the kidnappings which are feared will take a heavy toll during next summer's tourist season.

When the Italian government last sent in a crack army regiment to Sardinia in 1967 to flush out bandits operating in the inhospitable Gennargentu mountains south of Nuoro, the operation was far from successful. The bandits simply disappeared into the Ilex Forests and hid in the brush which forms an ideal cover for criminals on the run.

"The only way we shall solve the kidnapping plague is by bringing in huge forces of police and setting up hundreds of road blocks, dividing the island into segments for screening all travelers," Judge Pigozzi said.

In Olbia, the police admit they are "seriously worried" about the safety of the Schild women and the Italian singer Dori Ghezzi, who is reported to be pregnant. "These kidnappers are dangerous criminals and will not hesitate to kill," a senior police officer said.



Mass Mafia trials in 1967 with accused held in a cage protected by police.

# Mafia Went Multinational in 1979

By Uli Schmetzer

**PALERMO, Sicily (IHT)** — Future records of Italy's turbulent history may remember this year as "The Year of the Mafia" — when the Old Brotherhood, L'Onorata Società, moved into the multinational income bracket.

For the Mafia of 1979 not only controls the lucrative kidnap industry, drug trafficking, arms smuggling, fraud and prostitution, but even small banks to recycle its "dirty money," entire companies, some phantom, some real, building and transport. Worse, it has established a new association of Mafiosi, bureaucrats and politicians to channel public funds into Mafia pockets, particularly in the underdeveloped south.

The data stems from an interparty conference on the Mafia in Palermo last. "The Mafia has assumed the proportions of a financial empire at multinational level," Sicily's Communist Party secretary, Luigi Colaninzi, told the conference which discussed the Mafia's startling business expansion.

Italians, not easily flustered by Mafia mania, did however raise their eyebrows at the greed of the nuova (new) Mafia early this year. The stage was Reggio Calabria

where 60 Mafiosi went on trial for siphoning off most of the \$300 million the government had destined for a steel plant and a new port at nearby Gioia Tauro.

"No stone, no tube, no excavator, no truck moved without the greasing of Mafia palms first," a prosecutor lamented.

Kickbacks to the Brotherhood not only doubled the cost of the project but caused its demise. Today shrubs cover the envisaged industrial site (which was to employ 7,500 persons) and the sea has prematurely filled the excavations for a new port.

The trial was a study in Mafia craft. In one case 450 houses were demolished to make space for an industrial complex — never built due to labor trouble. The residents "evicted" however were all rehoused in prefabricated homes built with Mafia money.

The trucks were Mafia controlled, so were the unions, the builders and the "import" of material.

One of the accused, Filippo Barreca, 31, (called the "godfather" of the small town of Pellaro) was questioned about the bullet-proof windows protecting his villa, his armored car, his bullet-proof vest and his closed-circuit warning system.

Barreca was not ruffled. He said the closed circuit was merely an interphone with a picture, the car a present "from the boys" with a tag "for our president," the vest left for safe-keeping and the windows were certainly not bullet-proof, "just thick glass because we get strong winds around here."

In the biggest Mafia trial success for decades 28 of the 60 accused were sentenced from three to seven years. The longest term, eleven years, was awarded to Don "Momo" Piromalli, the "boss" of Gioia Tauro. But Don Momo died of a liver ailment before he could start his term.

## 'Friends of Friends'

Still his funeral illustrated just how deep the Mafia is rooted in the south. Although his graft and corruption prevented the steel works and the port (which would have given jobs to about 8,000 local unemployed) 6,000 mourners walked behind his bronze coffin, piled high with 60 huge wreaths. Some of the "amici degli amici" ("friends of friends") — the Mafia password

had come from around the world. With them came union leaders and politicians. The eulogies continued until dusk.

Don Momo was one of the last popular godfathers, one of the few legal specimens who had courted the day and command such respect in a patriarchal southern society that even the church has bowed to them will.

The modern Mafia leaders prefer to remain "faceless." Some might still be semiliterate but their henchmen are financial wizards and economics graduates and the old code of Mafia honor, a legacy of feudal brigand days, is mainly a folly of the past.

And if the new Mafia has stepped up its activities, its "entire life" has have stepped up their strength and the number of executions. The year alone, Mafia gunmen blasted to death 49 persons in Palermo, including Sicily's chief Mafia investor and a judge.

Gone are the days when an enemy of "the honored society" was "fixed" with a clean shotgun blast through the chest, or if he had broken omertà (the law of silence) was left with a cork stuck in his mouth and the image of the Mad God of Carmine on his chest. Today's Mafia killers are armed with sophisticated modern weapons and they do not care how many innocent bystanders are murdered with their victims.

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This is the latest in a long line of the outstanding cars — the Lancia Beta Monte Carlo. A car that perfectly embodies the spirit in which Lancia builds cars. Achieving the perfect balance between style and engineering, comfort and performance.

A spirit which has created legends like the Aurelia, the Flaminia and the Fulvia. Today, it lives on in the Lancia HPE, the Gamma, the Beta Sedan and the Beta Coupé. The Lancia HPE, for example, stunningly combines

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The spirit of Lancia is also a pioneering spirit. Lancia have patented no less than 200 major innovations in the car industry. They include such revolutionary features as the first front wheel drive independent suspension system, the first 60° V6 engine and the first Gran Turismo car. Features we now accept as quite commonplace.

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the Fulvia HR, the Stratos and the latest Beta Monte Carlo. Victories are reflected in the style, performance and engineering of the Lancia you can drive today. But to experience the spirit of Lancia, you have to drive one. And, if you love cars, it will be an unforgettable experience.



LANCIA  
The car with spirit.



Lancia Beta Monte Carlo, winner of the Monte Carlo and the six hours of Brands Hatch 1978.

Lancia Stratos, Lancia's 6th victory of the Monte Carlo January 1979.





# Mezzogiorno Remains Poor Despite Aid, Subsidies From EEC

By Arthur Osborn

**CASTELMEZZANO (ITT)** — On autumn mornings, the women of this south Italian village climb up to the oak woods above it clutching empty plastic bags. They go to pick up acorns to feed their pigs. Each woman goes to her own patch of oak trees to gather the crop which has fallen the night before. Proprietorial rights are strictly respected, and woe betide any villager who picks acorns from under a tree which does not belong to him.

In an acorn economy, life is often hard, particularly in winter. Few houses have modern heating installations. In the rocky uplands of Basilicata, one of the poorest regions of Italy, donkeys are still a common form of transport.

Down in the valley below Castelmezzano, the government has built a four-lane modern highway, linking Potenza, the main administrative center of Basilicata, with the southern coast. But the villages of the region are way up in the mountains, on hilltops and craggy mountain fastnesses, where in former times they could be more easily defended from marauders.

From the mountain top above Castelmezzano, you can hear the church bells of other villages only a few miles away as the crow flies. But the wide and deep valleys which divide these communities mean that each could almost be in a different world from the next.

Southern Italy is still poor, in spite of the billions of dollars that have been poured into the region in the form of government aid and subsidies from the Common Market. Many South Italians have left their home towns and villages to seek their fortunes elsewhere, in North and South America, the richer countries of Northern Europe, or simply in the wealthier industrial North of Italy itself.

In the Mezzogiorno, defined for administrative purposes to include Sicily and Sardinia as well as the lower half of the boot-shaped Italian peninsula, average incomes are still only just over 60 percent of the national average. In Calabria, the poorest regions of Italy, average in-

comes fall to as low as 40 percent of the national average.

With an area the size of Greece and a population of 20 million, the Mezzogiorno's enduring rural and urban poverty is one of the biggest problems facing any Italian government. There are 1 million unemployed in the area, and the unemployment rate has now reached 12 percent, nearly double the jobless rate of the industrialized North of the country.

Industrial production in the Mezzogiorno accounts for only one-seventh of the added value which manufacturing industry in Italy achieves every year. Aid for the Mezzogiorno is one of Italy's constant pleas within the framework of the European Common Market.

The backwardness of the area is something which many Italians have simply resigned themselves to living with. "They've been talking about the industrialization of the Mezzogiorno since I was a boy. It hasn't happened yet," said a 35-year-old shopkeeper in Otranto, Italy's most easterly town on the heel of the peninsula.

Fast highways, new ports and airports have broken down the Mezzogiorno's centuries-old physical isolation from the rest of Europe. But in many areas there still lingers the embittered sentiment of living in a siege economy, inherited from previous generations who lived under the unsympathetic heel of foreign kings who governed from Naples.

Some successes in modernizing the Mezzogiorno have been achieved. At Taranto in Puglia, one of Southern Italy's more prosperous areas, the state-controlled steel firm Italsider operates a plant which exports a significant part of its production to the Soviet Union. Irrigation projects are leading to improvements in agriculture, and there is a growing tourist industry taking advantage of miles of unspoiled coastline.

But monuments to the failure of official policies are unfortunately all too abundant. Inefficiency, waste, corruption and organized crime have ruined many projects. Unused highway viaducts span broad valleys on stilts, resembling



A mule makes its way along the Appian Way outside Tricarico.

some relic of a past civilization. Modern factories stand idle, or in some cases only half finished, rusting for lack of maintenance.

A few names have become synonymous of the frustrations and despair of Italy's poorer half. At Gioia Tauro, a poverty-stricken town on the coast of Calabria, a vast area of flat land once covered with olive and citrus groves has been laid to waste in the name of an industrialization project which has never been completed. Under ambitious plans for the area's development drawn up in the early 1970s, Gioia Tauro was to have been the site of a giant steel complex, served by a modern port and providing jobs for 7,500. But the worldwide steel industry crisis has put paid to this idea.

"The Gioia Tauro steel works cannot be built, and this fact has to be recognized," the minister for the Mezzogiorno, Michele di Giesi, bluntly told parliament this autumn.

About 900 hectares of prime agricultural land have been laid to waste, and storms are gradually washing away excavations for the

port which is the only part of the project so far to have been built. A neighboring village with the ironically inappropriate name of Eranova has been destroyed and anger and frustration have taken the place of the local population's ruined hopes. Plans are now being discussed for a smaller steel rolling mill on the site, and the creation of other light industries.

In the meantime, all that Gioia Tauro has obtained is the dubious gratification of being declared "a particularly depressed area," a classification which would entitle firms setting up factories there to special state subsidies if any can be lured to the area.

Further down the Calabrian coast, at Saline Ioniche the other side of Reggio Calabria, a gleaming modern petrochemical group is standing idle. The government has withheld authorization for the commercial production of the synthetic oil-based proteins which the plant was built to make, and heavy debts have brought Liquichimica to the brink of bankruptcy.

In Sardinia, another big chemi-

cals group, SIR, is still battling with financial difficulties caused by an overambitious investment program which founded on the financial and industrial crisis brought on by the quadrupling of oil prices in 1974.

Banks have been discussing plans for the financial rescue of both Liquichimica and SIR. But for Liquichimica no agreement has yet been reached, while for SIR a rescue plan was agreed on earlier this year among its creditor banks but has now run into new problems because of a financial crisis at one of its main creditors, the central savings bank institution Italcasse.

Another ultramodern industrial plant whose name has become a national byword for the problems of Southern Italy is Alfasud, the Alfa Romeo car plant at Pomigliano d'Arco near Naples. Since this plant opened in 1972, it has run up losses of around \$700 million, as a result of continual high absenteeism and low production.

Alfa is trying to find a foreign partner to help it to revamp the Alfasud plant, and negotiations have

been going on with Japanese car firms. But no agreement has yet been reached, and some car industry officials are skeptical about the possibilities of a satisfactory solution unless unions agree to assume a much stronger policing line at the plant.

At Naples itself, a city whose poverty has become a national disgrace, another major employer of industrial labor is also facing serious financial problems. This is the Bagnoli steel plant belonging to the Italsider group, sited on what was once one of the Naples area's most beautiful coastal bays and now one of the main polluters of the area.

Bagnoli employs nearly 8,000 workers and because of the obsolete nature of its production runs losses of around \$100 million a year. An obvious solution, given the world steel market crisis, would be to close the plant. But social conditions in the Naples area make this politically impossible, and instead the government is trying to drum up support from the Common Market for a \$600-million dollar restructuring plan.

Not all industries who have set up in Southern Italy are in this difficult plight, and it would be unfair to paint too gloomy a picture of an area which could have an immensely favorable market future if properly organized.

The Fiat car group, Italy's biggest private company, has for some years followed a policy of locating all new industrial initiatives in Southern Italy, and Fiat chairman Giovanni Agnelli said recently that his company is satisfied with the way most of them are operating.

The Fiat group is in the process of building a new plant to manufacture light commercial vehicles, at Valle di Sangro in the Molise region on the Adriatic coast, in collaboration with Peugeot-Citroen of France. This plant will cost around \$250 million and when completed will employ around 3,000 workers.

But another Fiat plant in the Mezzogiorno which is the source of constant concern to the company is its Cassino plant south of Rome, which in the past few years has been plagued by terrorist-style shootings and industrial troubles. The Cassino plant employs 6,500 workers, and a unit of this size, even though it is smaller than Alfasud which employs 15,000, is already big enough to make management difficult.

A number of foreign companies have been attracted to the Mezzogiorno in the past by the government subsidies offered to firms setting up in the region. Many of them are sited in the new industrial areas immediately South of Rome, and hence enjoy all the facilities of being close to a major European capital. But foreign investment, which over the past few decades has reached the impressive total of around \$3 billion, has tailed off recently, and prospects of a slowdown in world economic growth make the outlook for the future appear pessimistic.

A major hope for the future of the Mezzogiorno, as far as industrial development is concerned, will be the arrival in the early 1980s of natural gas brought by pipeline from Algeria. The pipeline, which is being built by the state-owned ENI group, will cross the Mediterranean to Sicily and will supply gas to industrial users in the Mezzogiorno.

In the meantime, the government is pressing ahead with the much needed industrial infrastructures, such as roads, ports, electricity networks and drainage systems, which have to be created before new in-

dustry can be set up. A number of specialized government-backed agencies such as INSUD, FIM and IASM exist with the sole mission of promoting economic expansion in the South, and these have successfully brought some new industrial initiatives to the area.

But the services sector is proving the main source of new jobs in the area, and exploitation of Mezzogiorno's tourist resources may ultimately prove to be the successful gambit. Last year 105,000 new jobs were created in the services sector, compared with only 20,000 new jobs in industry while the number of people working in agriculture dropped by 45,000. This still left the Mezzogiorno with a net increase in employment less than in the North where employment is stagnating. But as the area's employment figures show, there is a long way to go.

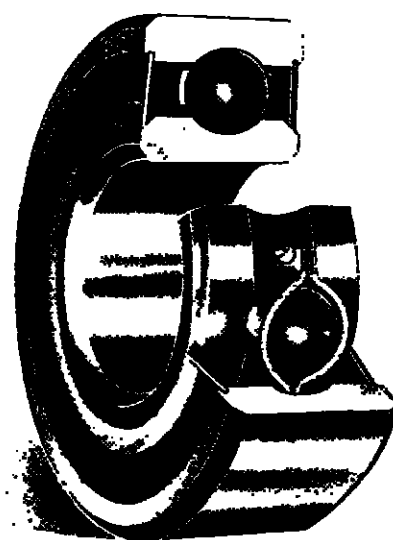
## Banking Activities

On the financial side, the Mezzogiorno is still underprivileged as banking activities are concerned. There are still far fewer banks and credit institutions operating in the South than in the North, and tend to charge higher interest rates to compensate for higher risk involved there.

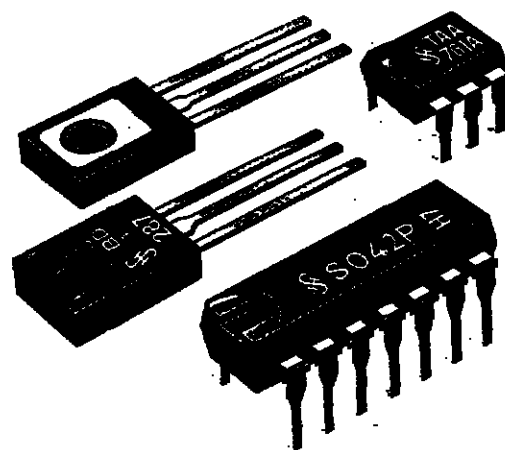
A number of specialized government-backed credit agencies have been set up to tackle this problem, such as ISVEIMER for medium-sized southern Italy, Credito Industriale Sardo for Sardinia and a similar institution for Sicily. But some of these have run into difficulties because of their involvement in lending to the financially fragile Mezzogiorno, while the Cassa per il Mezzogiorno which finances many of the big state infrastructure projects, came under sharp attack from the Communist Party as being an instrument of political power which they claim has failed effectively to perform the task assigned to it.

For the future, the Mezzogiorno clearly has a strong potential for expansion because of its geographical position, in the center of the Mediterranean, midway between the European industrial nations and rich markets of the oil-producing countries of North Africa and the Middle East. But to realize this potential an enormous effort of organization is going to have to be made and the challenges that face here certainly not going to diminish with the arrival of Greece, Portugal, Spain in the Common Market.

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SKF - Svenska Kullagar Fabriken  
Plants in Madugno (Apulia) and Caserta (Southern Italy).  
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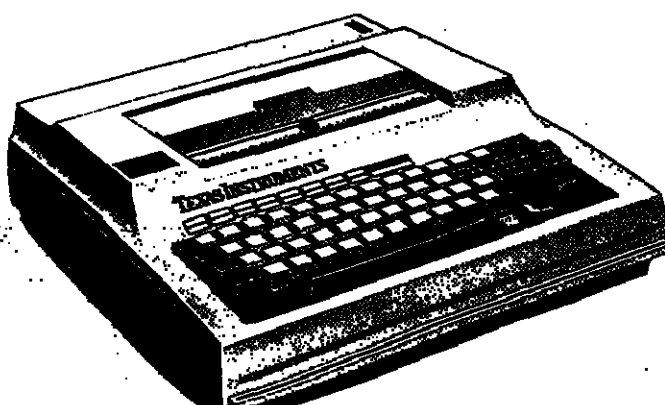
Siemens AG  
Plants in Salsomaggiore (Brescia), Pinerolo (Aosta) and Caserta (Campania), Bari (Apulia).  
Electronic circuits, single and three-phase electric motors, electronic computers, gas discharge tubes and mercury vapor lamps.



Farbwerte Hoechst AG  
Scappato Plant (Abruzzo).  
Pharmaceutical products.



Saint Gobin  
Plants in Naples, Gaeta and Caserta (Campania), Pinerolo and Aprilia (Southern Italy), Sassari and Cagliari (Sardinia), Messina (Sicily).  
Bottles, glass containers, glasses, plate glass, insulating fibre glass, foam polystyrene.



Texas Instruments Inc.  
Plants in Aversa (Campania) and Ciro Ducele (Southern Italy).  
Motor shields, relays, thermostats, connectors, keyboards, security monitors, semiconductor electronic equipment.



Goodyear Tire & Rubber Co.  
Caserta Plant (Southern Italy).  
Tires and inner tubes.

In fact they are manufactured in Italy's "Mezzogiorno" where incentives are unrivalled in Europe: cash grants (accounting for anything between 20% and 40% of fixed investments), soft loans (40% of total investment), full relief from social security contributions, tax allowances, joint ventures opportunities (even with majority shareholding), free of charge technical assistance and training of personnel.

An area of 20 million consumers within the even vaster 57 million Italian market and

dose to the Middle East with its considerable market potentials at a minimum transport cost distance reach.

IASM, Istituto per l'Assistenza allo Sviluppo del Mezzogiorno (Institute for Assistance in the Development of Southern Italy), has set up representative offices in Europe and in the United States

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Mezzogiorno Office  
c/o L.M.T.D. Los Angeles  
2820 Avenue of the Stars, Suite 550  
Los Angeles, Cal. 90067

Frankfurt Mezzogiorno-Office  
Hans Mainzer Strasse 44-42  
6800 Frankfurt-am-Main 1 (Germany)

Zurich Mezzogiorno-Office  
26 Schiffhausplatz  
8002 Zurich (Switzerland)

in order to offer information and consulting services to entrepreneurs interested in carrying out industrial and tourist investment projects in the Italian South.

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# Open University Experiment Turns Into an Academic Failure

By Uli Schmetzer

ROME (IHT) — At the beginning of the seventies Europe's left saw Italy's open universities as the trail blazers for a new concept in mass education.

It seemed a dream: Admission for everyone with a secondary school certificate, abolition of numerous clausus (thus free choice of faculty) liberal government stipends, nominal tuition fees and, finally, students who decided their own curriculum.

Today the great campus experiment has all but failed and successive Italian education ministers are

doing their utmost to revert to the good old campus system of the past.

"The university must again become as it was," clamored Italy's director general of education, Domenico Fazio.

Only two years ago his cry would have triggered student demonstrations throughout the country, it would have paralyzed entire cities, mobilized police and caused campus chaos. But this fall it barely caused a ripple of protest.

The 44 rectors of the country's state-run open universities (many who had barricaded themselves behind bullet-proof rectory windows only one year ago) agreed almost

unanimously at an assembly in Palermo to back the reintroduction of numerous clausus and entry examinations.

And if there were any demonstrations they came only from assistant academic staff who went out in the streets to back efforts for tenure.

The demand to end "the experiment" was coupled to accusations that the academic standards of Italian universities had plummeted perilously over the last decade. Even progressive academics had to admit that in a highly competitive western society it was little comfort if Italy could boast that it had more students per 1,000 capita (17.3 com-

pared for example to Britain's 9.3) than any other European country, if the qualifications of these students were inferior to that of other Western graduates.

The spark that lit the fire occurred last August when Professor Bruno Zevi, the eminence gris of Italian architecture, resigned his chair at Rome University with the barbed quip: "Better a small pension than a classroom full of donkeys."

The volatile professor made a few more caustic remarks. Italian graduates were in "a state of illiteracy," he said, adding, "there is a tacit agreement between students and

professors. The former do not attend classes, the latter don't teach, but in the end everyone passes the examinations and receives a degree."

His outburst fell on fertile ground. Another professor of architecture, Leonardo Benevolo, wrote in his book "The Obliging Degree" that Italian universities were "a school of correspondence which doesn't know how to be one." He said 40 students came to his lectures but 4,000 to the examinations.

Newly appointed Education Minister Salvatore Valtieri, aged 72, agreed: "School graduation has be-

come a joke," he said: "Everyone graduates."

However, hardly anything was said about the other side of the coin — the inability or reluctance of successive governments to provide adequate staff, facilities and additional universities to cope with a student population that had doubled following the creation of the open universities.

## Salary Structure

Young Italian villagers, some from the backwaters of the South, hurried to enroll in the faculties of their dreams. Unfortunately most of them had been ill prepared for campus life by a haphazard secondary education system. All, however, would automatically qualify them for higher wages in any job. (Graduates in Italy immediately enter the B section of the three-category salary structure — A,B,C.)

Almost overnight the overcrowded "mass universities" with endless queues, jammed lecture halls and a cumbersome bureaucratic machinery unable to cope with the boom.

The biggest was Rome University, built by Mussolini's Fascists for a student population of 30,000 and now harboring almost 200,000. For a decade government after government promised to build 13 new universities. None have been built so far. Education Ministers pledged to hire new staff. They still talk about it today.

It was no surprise then that frustrated students became an easy prey to political agitators who blamed a corrupt establishment and a blind government for their plight. Student agitation swept Italian cities for another decade following the 1968 worldwide student revolts.

## Breeding Extremists

"The campus became the breeding ground for extremists," says Professor Franco Ferrarotti, dean of Rome University's Department of Sociology. "The professor was seen as supervisor of a despised bureaucratic system imposed by the establishment."

So the professors were assaulted (Dr. Ferrarotti himself was beaten up), bullied and intimidated not only to give passes (and so guarantee government stipends) but to discuss subjects linked with current events. The situation turned chaotic. The campus walls were dubbed with political slogans. Students spent more time demonstrating in the street than in the lecture halls. Inevitably standards had to fall.

More than a year ago Italy's Medical Association complained that many medical graduates "don't know the difference between an artery and a vein because they have never seen one." Bologna University's Medical Faculty was just as outspoken last month: "Italian medical faculties today produce doctors who are, for the majority, unskilled to practice," it said in a statement.

Medicine was particularly vulnerable. Apart from being considered a lucrative profession, to have a doctor in the family was the dream of every status-conscious Italian. So thousands enrolled once numerous clausus was abolished. Today there are 150,000 medical students in Italy and the country turns out more doctors per capita than any other nation.

"There are just no facilities available to properly teach these students," says a professor of surgery.

"We can't even afford to buy a corpse for anatomy lessons."

On the other hand faculties like sociology, political science and philosophy doubled and tripled their student population because they served as instruments for arming oneself in the struggle for socialization.

And as happens in every aspect of Italian life, the battle over how to run the universities was closely linked to politics. The bourgeoisie left saw the campuses (with 1.2 million students) as a forum for politicalization.

Supporters of the mass university concept argued that educating the masses more than compensated for the lowering of academic standards. Lead by the powerful Communist Party they were reluctant to surrender the open institutions which formed part of their campaign pledges to help educate the proletariat. — although surveys have shown that only 6 percent of the proletariat was able to take advantage of open universities while the bulk of students originate, as before, from the bourgeoisie.

Yet while the interparty tug-of-war continued over the universities an unexpected phenomenon occurred. Maybe shocked by the escalation of urban terrorism the stu-

dent demonstrations gradually faded out over the past two years. Many left university disillusioned. Dropouts at some faculties have been as high as 30 per cent. More amazing even, this fall, for the first time in a decade, enrollments were down almost 5 percent.

## Prevailing Desire

"There seems to be a prevailing desire now among students: they want to study again on with the degree," Professor Ferrarotti said. It seemed the right time for academic traditionalists to strike. "Unless we have numerous clausus," Gianfranco Fazio, Professor of Sociology at Rome University, explains, "we will continue to have elements of students without vocational merit."

And while yet another government introduced yet another education reform plan (almost certain to join untested previous reform projects in the archives), the Education Ministry talked about adding other 15,000 permanent staffs universities — a remedy that may come too late for the ailing patient.

For, it seems, the mass universities are doomed, ready to be buried without eulogies, maybe just a simple epitaph: "The concept was good, its execution bad."

## Relations With the Vatican Undergoing Subtle Change

By David Willey

VATICAN CITY (IHT) — With the election of the first non-Italian Pope for 450 years, relations between the Italian Republic and the Vatican have undergone a subtle change.

The tendency is for the special close relationship between the civil and ecclesiastical authorities on opposite banks of the Tiber to grow looser. This relationship was first cemented by the Lateran Pacts in 1929 in the heyday of Fascism and was maintained in its essentials after World War II by Popes Pius XII, John XXIII and Paul VI in their dealings with Italy's ruling Christian Democrats.

Italian premiers since the end of the war have all been more or less fervent Catholics, and as such assiduous frequenters of Curial circles. Former Premier Giulio Andreotti for example owed his whole political career to a chance meeting in the Vatican library with the famous postwar Italian statesman Alcide De Gasperi.

The idea of a complete separation of powers between Church and State still seems unthinkable in a country where the presence of a monsignore is usually guaranteed at state functions, at Christian Democrat Party celebrations and at opening ceremonies.

Article Seven of the constitution affirms that "the State and the Catholic Church are each in their own sphere independent and sovereign," but the exact definition of the boundary lines between the affairs of Caesar and those of God has tended during the 30-year period of Christian Democrat rule to remain rather fluid. The proposed new concordat would add the words "and reciprocally promise fully to respect this principle in their relations," to this article.

The pope from Poland comes as a stranger to the dealings between the Roman Curia and Italy's ruling

elite. His view appears to be that Italian Bishops Conference to care of Church-State relations side Italy, leaving the Vatican to develop a relationship with Italian government leaders more informal, more distant than in the past yet still cordial.

In October, the pope invited Sandro Pertini, the octogenarian Socialist president of Italy to an informal luncheon in his private apartment in the Apostolic Palace. This was a first for the pope, during previous pontificates. There was no ceremony, and there were no speeches. It was simply a tête-à-tête between two heads of state (the pope maintains the temporal ruler of the Vatican City State, the world's smallest sovereign enclave).

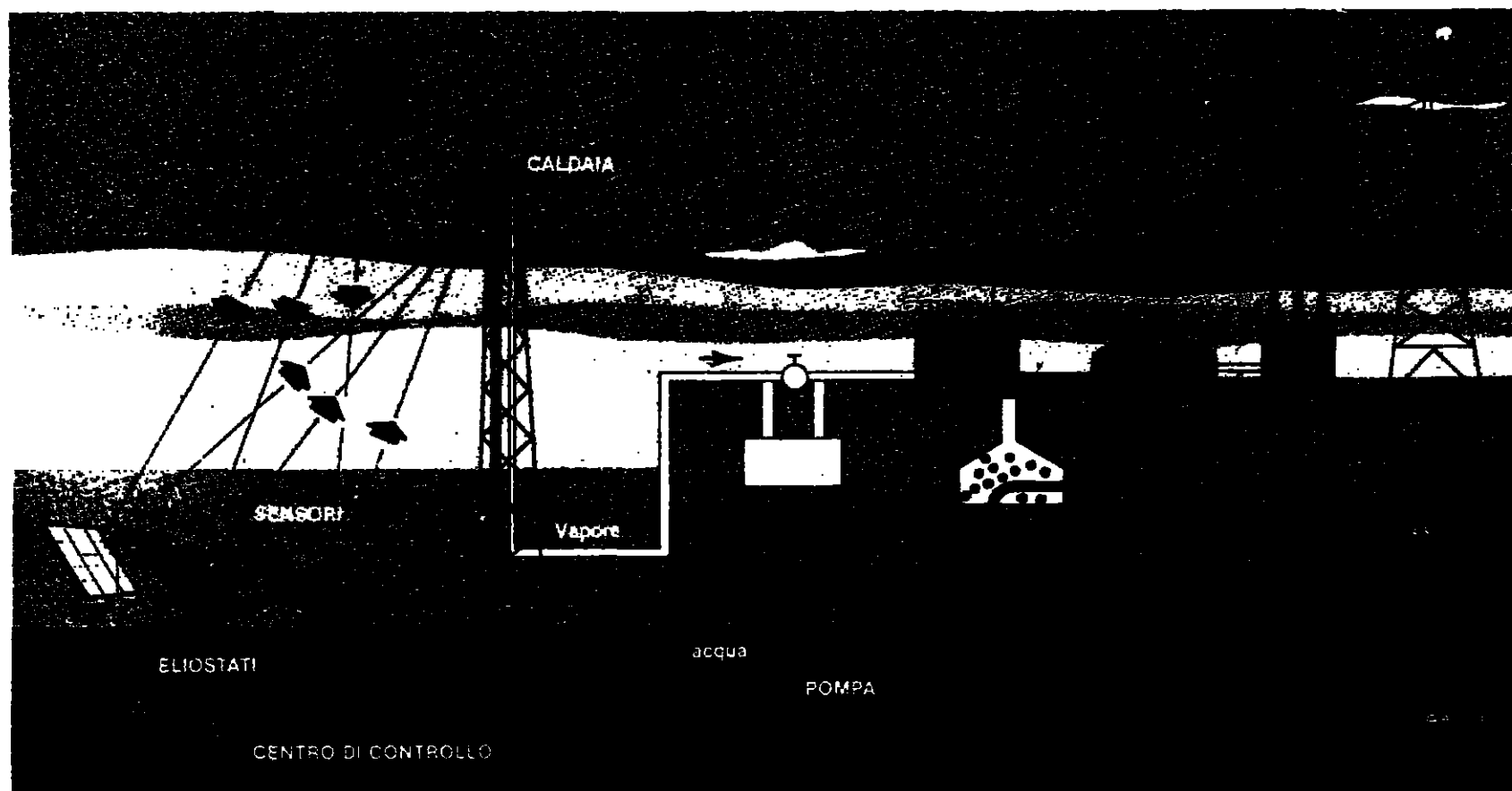
A few weeks later the current Christian Democrat premier, Francesco Cossiga, was invited by Pope John Paul II to attend an evening mass in his private chapel together with his family, and to share the pope's breakfast. The accent is clearly upon informality with both ecclesiastical and secular authorities keeping a distance from each other.

The powerful lay forces in Italian political life are however far happier with the status quo. As back as 1967 the parliament voted in favour of a revision of the 1984 concordat, but actual negotiations were only started in 1976 and still going on. Three successive drafts of a new concordat have been presented to parliament, but agreement is proving elusive.

"The small but influential Italian Radical Party has been campaigning for years for the formal abolition of the Lateran treaties with the Vatican in order to put an end to church privileges. But the entrenched position of the church public life is unlikely to be changed overnight."

## ENTE NAZIONALE PER L'ENERGIA ELETTRICA (THE NATIONAL ENTERPRISE FOR ELECTRICAL ENERGY)

### Solar generating plant with tower and mirror field



#### Translation of Captions

CALDAIA... Boilers, SENSORI... Sensors, ELIOSTATI... Heliostats, CENTRO DI CONTROLLO... Control Center, TORRE... Tower, VAPORE... Steam, ACCUMULO... Storage, ACQUA... Water, POMPA... Pump, TURBINA... Turbine, ALTERNATORE... Alternator, CONDENSATORE... Condenser, TRASFORMATORE... Transformer, ACQUA DI RAFFREDDAMENTO... Cooling Water.

The capturing of the solar energy in solar generating plants with tower and mirror fields is done through a system of large mirrors which reflect the sun's rays and concentrate same in a boiler located on top of a tower.

Because of the sun's heat, steam is generated in the boiler, which is then sent to a turbine which is linked to a generator for the production of electrical energy.

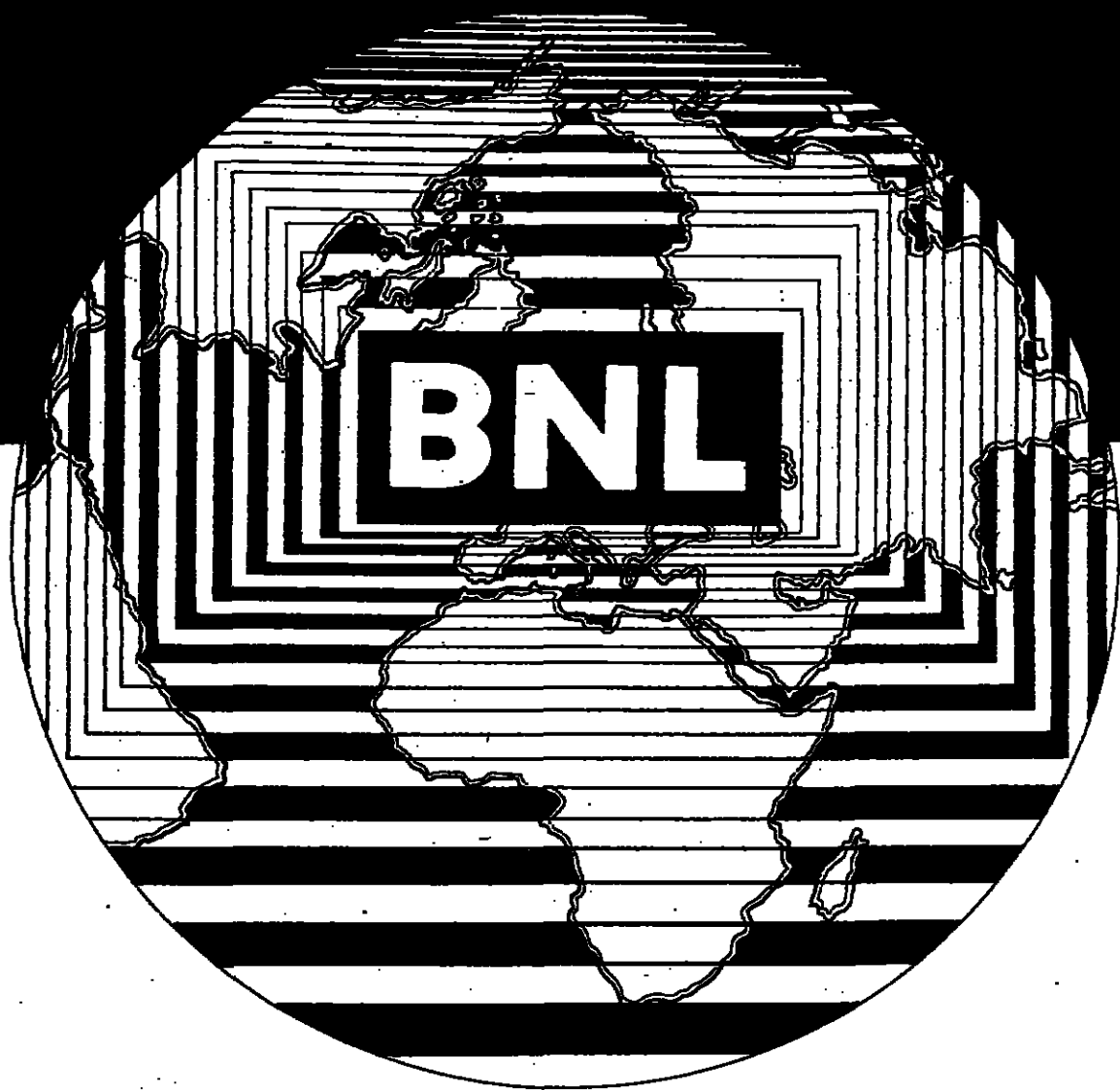
ENEL, together with a consortium of European builders, participates in the construction, in Adrano (Sicily), of a solar generating plant with a power of 1000 kilowatt, within the framework of the European Community's research program. The following participate in the consortium: for Italy: ENEL and the Ansaldo plant; for France: the Cethel plant; for the Federal Republic of Germany (West Germany): the MBB plant.

This power plant will start operating towards the end of 1980 and will be linked to the Italian electrical network. ENEL will be responsible for its operation and will be a co-owner of the plant together with the European Community.





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IN THE WORLD MAP.  
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## Rome Is Facing Final Collapse

By Howard Henry

ROME (IHT) — More than 1,600 years after the arrival of the Goths, and two centuries after Edward Gibbon wrote his "Decline and Fall," final collapse is now threatening the ancient Roman Empire. But it may not be too late to prevent it.

Today the monuments of Republican and Imperial Rome, arguably the greatest and most enduring tourist attractions of the Italian capital, are more in peril than ever before. The enemy is no invader from the North, but those much more insidious foes, modernization and economic progress, and their most powerful agent, the motor car. If anyone had doubts about whether the danger was real, they were dispelled by the severe earthquake that shook the Lazio region on the night of Sept. 19. Its epicenter was 100 miles away in the mountains to the northeast, but the tremors that reached Rome were enough to dislodge fragments from temple pediments, make obelisks wobble and damage the structure of monuments more than 1,900 years old. The extent of the damage is still being assessed.

### Small Price

But the price to be paid will be small if the earthquake has at last made those who run Rome, the politicians, the regional authorities and the local municipality, wake up to the need for real action after decades of neglect.

In a sense, the delay is understandable. A hundred years ago, Rome was the sleepy, provincial capital of a newly unified Italy. Today it is a city of more than 3 million people, most of whom live in sprawling, unregulated suburbs. Despite a clamp down by the Town Hall in the last three years, speculative building is still rife.

The municipality is chronically in debt — interest payments alone cost it 1 billion lire a day — and with the best will in the world, the leftist city authority, in office since 1976, could not have been expected to correct the accumulated failings of the past all at once.

Most serious of all is the lack of an adequate infrastructure, especially in the field of transportation. The bus service is simply not large enough, the center of the city clogged with cars, and promises of a decent subway system have yet to come to fruition more than 30 years



The Forum in Rome

after work started on a new line that would at last serve through the center of the city.

The victims have been the monuments. Professor Adriano La Regina, superintendent of the city's ancient monuments, has warned that without emergency action, Romans of the 21st century would be left with little else than "shapeless lumps of broken marble." The damage could spread to "all extant documentation" of the city's history and art — in other words, even medieval and baroque buildings may also be threatened.

Every year, on every square kilometer of Rome's historic center, private and public transport deposit 85 tons of assorted dusts, oxides and other pollutants. The result is for anyone to see: soot-encrusted blobs that were once exquisitely carved heads of statues, crumbling fragments that once formed part of elaborate friezes. However, the signs are that the authorities are waking up to the danger. Talltale black scaffolding held by artistic golden rivets has sprung up around many monuments, including the

two triumphal columns of the Emperors Trajan and Marcus Aurelius. Atmospheric pollution has imperiled the magnificent Roman equestrian bronze of Marcus Aurelius in the middle of Michelangelo's square atop the Capitol hill — right under the gaze of the town hall where Luigi Petroselli, the new Communist mayor, has his offices.

But what is Mr. Petroselli, or anyone else, for that matter, to do to put things right? Everyone has good intentions, and the mayor has pledged to continue the drive of his predecessor, art historian Giulio Carlo Argan, to protect the treasures of Rome.

### Inmate Sloth

The trouble is that not only will any would-be saviour have to overcome the inmate sloth of Italian bureaucracy — witness the snail's pace efforts to preserve Venice — but he will also have to tread in a minefield of conflicting interests.

The first and vital step is to curtail, if not ban, the chaotic flow of traffic around many of the monuments. But really severe measures

— such as the closure of the main artery, the Via dei Fori Imperiali running from Piazza Venezia to the Colosseum and bisecting the ancient forums, would run into heavy fire from the powerful tourist industry lobby. Tourism brings Italy \$7 billion of foreign exchange a year.

But Mr. Petroselli, a senior Communist party official, does have political clout, and the subway, when it is operational, may help. The emergency crisis may help too, since it increases the pressure for curbs on the use of private cars especially in the center of Rome, where the average speed of traffic is now a mere 6 kph during rush hours.

But the biggest obstacle will probably be the entrenched mentality of the Romans themselves, inured to the past, cynical about the present and fatalistic about the future. They've seen it all before. The slowly decaying monuments around them are buildings and no more, populated by cats, graffiti, and sometimes the infant soccer stars of the future, for whom the columns of a ruined temple make a wonderful set of goal posts.

## CTIP (BASTOGI): WORLD-WIDE ENGINEERING

Industrial plants of over U.S. \$2.8 billion engineered and constructed by CTIP in the past ten years.

Design and construction of plant for the petroleum, chemical, petrochemical, biochemical, and pharmaceutical industries, and now for the thermo-electric, nuclear, solar, food, cement production and other industrial sectors.

New large-scale projects in Colombia, Turkey, Algeria, Nigeria, Yugoslavia, and recently in China.

### THE OIL INDUSTRY

Modern refineries are highly integrated complexes based on total automation, consisting of several process units, designed for optimum safety and efficiency. The most skilled and effective organization is needed in planning, designing and building a refinery to today's standards.

CTIP has the resources and abilities required to carry through projects on any scale anywhere in the world. CTIP has the whole range of its services, organized in such a way as to ensure that every need that arises with every project can be met.

A special significance is the help that CTIP can provide in the project planning and development phase.

With its wide-ranging experience in a specific phase, CTIP can help to achieve substantial savings in the investment outlay, greater flexibility in operations and a reduction in running and maintenance costs.

### THE CHEMICAL AND PETROCHEMICAL INDUSTRY

Rapid progress in the technological sector has generated a whole series of

products. As the list of these products has lengthened, the number and type of production processes have multiplied, particularly in the petrochemical and chemical industry, where there has been a rapid development of ultra-sophisticated and automated industrial complexes.

The technological complexity of the plant involved makes it essential to call on highly qualified engineers who can guarantee maximum efficiency and reliability in operation and at the same time keep investment costs as low as possible.

CTIP has taken an active part in the development of the world chemical and petrochemical industry, introducing advanced production processes in co-operation with many international companies and process licensors.

### THE BIOCHEMICAL AND PHARMACEUTICAL INDUSTRY

CTIP is one of the most forward-looking companies in the biochemical sector. Its engineers have conducted systematic research on biological systems and

materials of biological origin and have made direct contributions to developments in fermentation processes, enzyme conversion and the biological treatment of effluent for the pharmaceutical and food industries.

The experience that CTIP has accumulated in the biological field embraces kinetic research, process evaluation, projection of results obtained in pilot installations on an industrial scale, optimization of fermenting agents, enzyme systems and recovery and separation operations. CTIP has designed and constructed the largest biochemical complex in existence today.

CTIP is aware of the fact that future technological developments will be far more wide-ranging than is conceived today and that a leading role in future industrial development will be played by engineering applied to biochemistry.

CTIP is already committed to a basic and applied research program, in co-operation with an international body specializing in this field.

### THERMO-ELECTRIC AND NUCLEAR POWER

Stone & Webster Engineering and CTIP S.p.A. of Rome have established a new company, Essen-Energy Systems Engineering, with headquarters in Rome to provide marketing services for the corporations. Essen is owned 60 per cent by CTIP and 40 per cent by Stone & Webster. In 1976 CTIP and Stone signed two agreements for co-operation in the design and construction of electric power stations in Italy and other countries where Italian financing is available.

### CEMENT PRODUCTION

ITALCEMENTI and CTIP have recently signed an agreement on co-operation.

The agreement covers co-operation on feasibility studies, pre-project studies, execution for industrial plants to produce a wide range of cements.

Under the terms of the agreement ITALCEMENTI, which with 34 plants in production is Italy's largest cement manufacturer, will supply technical assistance for the design, construction and start-up of new projects. ITALCEMENTI will also provide, when requested, the geological proposals preparation and project studies and scientific analysis on new deposits of raw materials.

Under the new agreement CTIP will provide the detailed engineering and procurement services and it will also carry out sales and promotion activities

CTIP is an engineering company of the BASTOGI GROUP specializing in the design and construction of petroleum, chemical, petrochemical, biochemical, pharmaceutical, food, cement production, solar, electro-nuclear and thermo-electric plant. Over a period of more than 40 years, CTIP has played a prominent part in the development of Italy's oil industry and has also diversified its range of activities to cover every sector of the economy, building complete industrial complexes for virtually all the leading multi-national companies throughout the world.

CTIP does not restrict its work to the technical activity of building plants; it helps to originate every process in the advance of industrial technology.

Through its Process and Development Department, CTIP has been responsible for many "grass roots" projects, introducing new ideas with great potential that have subsequently been taken up by industry. It has established close links with all the leading licensors and international research bodies.

with SED (Solar Energy Development) of London for the exchange of information, technology and data relating to the use of solar power.

Although it has only been established for just over three years, CTIP Solar has already been awarded several important projects and technical studies by Italian companies and state institutions as well as by client from other countries.

### SUPPLY OF INFORMATION SYSTEMS (SOFTWARE)

CTIP, with its own in-house computer—IBM 370/138—and its own staff of specialists in computer sciences, is able to supply clients with information systems (software) that can help solve problems which arise in the field of information processing.

A good example of the kind of concrete assistance that CTIP can give its clients is the computerized information system now being realized on behalf of the Turkish petrochemical firm, PETKIM, for its complex at Aliaga.

This particular information system consists of the following:—identification and codification of all materials needed for construction and maintenance;—checking of all procurement activities whether performed directly by PETKIM or by its engineering company;—control of warehouses for materials used during the construction phase and later for maintenance;—control of investment costs;—automatic collection of all data re-

garding the activities of personnel, checking of personnel attendance and the planning of shifts;—planning and control of production. It is worth noting that such services are also being supplied to manufacturing companies.

### PROJECTS UNDERWAY

Currently, CTIP is working in Algeria, China, Colombia, Egypt, Nigeria and Yugoslavia.

In Algeria, CTIP is building a big industrial complex for the manufacture of antibiotics and pharmaceuticals at Medea, near Algiers, for SNCI (Société Nationale des Industries Chimiques). CTIP has had the cooperation of IRI, Istituto Biocimico Italiano, for much of the required technology while for some other installations in the same complex the technology was supplied by SQUIBB & Sons Inc.

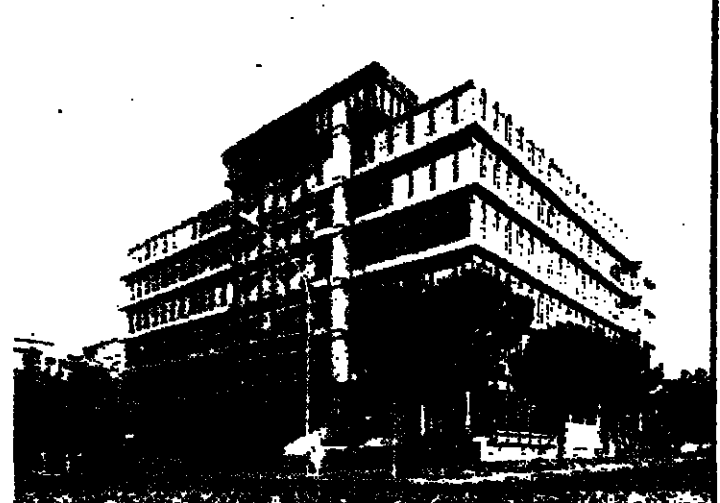
In Colombia, work is now almost complete on a 100,000 t/y ethylene plant and a 60,000 t/y polyethylene plant which have been entirely engineered and constructed by CTIP for POLI-COLSA.

In Nigeria, CTIP is currently completing (in cooperation with MONTUFI) a large oil pipeline network. In Yugoslavia CTIP is currently engaged on the expansion of the INA Refinery at Lendava. This includes the construction of the atmospheric distillation, catalytic reforming, and catalytic desulphurization units and all general services pertaining to the complex.

The project is especially significant on account of the fact that it is being undertaken in collaboration with the Polish POLIMEX CEKOP organization of Warsaw.

CTIP has already collaborated with the Polish government in developing countries and the present project will consolidate cooperation with this country.

In Turkey, CTIP is currently working for PETKIM—Perokimya AS—on a 120,000 t/y VCM plant and a 100,000 t/y PVC plant. These plants have been completely designed and constructed by CTIP to a SOLVIM li-



CTIP is an international organisation with branch in Milan and affiliates in Sivas, London, Paris, Brussels, New York, Cairo and Bogota. The head office is in the EUR business district in Rome. Its offices, where more than a thousand employees—including graduate engineers, technicians, draughtsmen and specialists—work, have all the latest equipment, including full model-shop facilities and a large computer centre.

cence and they are located at Aliaga, near Izmir. Recently Petkim has awarded CTIP a new contract to design and build the interconnecting facilities for these units.

In Egypt, CTIP is now working on an important pipeline project in cooperation with MONTUFI for EGPC (Egyptian General Petroleum Corporation) and, just recently, CTIP has been awarded a contract by SOPCO (Suez Oil Processing Company) for a new 100,000 t/y hydrofinishing plant at Suez.

Finally, in the People's Republic of China, CTIP is currently working on two contracts awarded to it by C.N.T.I.C. (China National Technical Import Corporation), for the complete design, engineering and supply of materials for 11 natural gas treating and compression units.

### NEW MARKETS

CTIP's recent successes in the PEOPLE'S REPUBLIC OF CHINA, have been of particular significance in that they have enabled the company to de-

velop close ties in other Chinese industrial sectors where the company is active.

Prospects are very encouraging and CTIP has decided to devote more and more of its efforts to the development of this extremely important market. In Egypt, the recent award of a contract to design and build a 100,000 t/y hydrofinishing plant for the Suez Oil Processing Company is also of interest in that SOPCO is a "repeat" customer for CTIP.

In fact, CTIP designed and built the original Suez Refinery Complex for this same client. CTIP believes that Egypt, and all the Middle East, deserve special attention in the light of their future potential. It was with this fact in mind that a new affiliate has now been opened in Cairo—CTIP MIDDLE EAST S.A.E.—staffed by both Egyptian and Italian engineers, to meet the needs of industry in this important market area. (For further information apply to CTIP Public Relations Dept., P.zzaale G. Douhet 31, ROMA.)

Scale model of the complex for ethylene production being built by CTIP for POLI-COLSA at Barrancabermeja in Colombia.



Tables include the nationwide prices up to the closing on Wall Street

(Continued on Page 14)



## Oil-Pricing Shift Said Unjustified

By Hobart Rowen

WASHINGTON, Dec. 11 (WP) — There is no justification for the producers' cartel to raise prices because the dollar depreciated in value over the past year, says a Treasury undersecretary for monetary affairs, said today.

Solomon was critical of the SDR as a partial replacement for the dollar as a reserve currency, he said. The fact is, Mr. Solomon said, "the value of the dollar has increased in the past year."

He suggested that the most meaningful calculation of the value of the dollar for the Organization of Petroleum Exporting Countries is not a weighted basket of currencies but the price of oil.

Recent weeks, several OPEC members have again raised the price of oil in special drawing rights — international currency issued by the International Monetary Fund — rather than the dollar. But Mr. Solomon said, "the value of the dollar is 10 percent higher than it was a year ago."

## Gold Rises To Record \$447-Ounce

LONDON, Dec. 11 (AP-D) —

The dollar was heavily sold today by Middle East interests to buy gold, dealers said, and bullion prices surged \$12.25 an ounce to a record high of \$447.00.

The price of gold rose relentlessly throughout the session and was quoted in late dealings at \$446.50-\$447.50, bid and asked, up from \$445.50 at the afternoon fixing, \$443.75 at the morning fixing and up from \$431.75 late yesterday. In late dealings, gold rose further, showing a rise of \$15.75.

Gold dealers said trading was "very hectic" most of the day. They attributed the rise to the relative weakness of the dollar against several major currencies, expectations that Mideast oil producers will soon increase prices and political uncertainties in Iran and the entire Mideast.

The dollar was already weak in early trading due to the U.S. report yesterday that retail sales rose 1.8 percent in November, indicating that the economy might be more buoyant than had been generally thought, dealers said.

In late trading, the dollar was hit by waves of selling, dealers said. By the close, the dollar had slumped to 1.7510 Deutsche marks from 1.7510 DM yesterday and to 1.5962 Swiss francs from 1.6130 francs.

Following a three-point, prime-rate increase in Italy, the dollar fell to 813.85 lire from 817.50 late yesterday.

Yen Rises

Meanwhile, sterling rose sharply to \$2.1900 from \$2.1675. During the afternoon, Britain announced banking figures and the central government borrowing requirement for November. The data was in line with market expectations, and the announcements were followed by a rise in the pound against the dollar.

The dollar also fell to 4.0742 French francs from 4.1000, to 1.9152 guilders from 1.9380, to 28.27 Belgian francs from 28.54 and to \$Can. 1.1640 from \$Can. 1.1642.

The dollar rose slightly against the yen in European trading to 233.20 yen from 232.80. Earlier in Tokyo, the dollar traded as low as 229.00 yen briefly in the morning but staged a brisk rebound to close there at 235.85 yen, up sharply from 231.25 yen yesterday.

[Tokyo] banking sources attributed the erratic fluctuations in trading to the policy of Japanese monetary authorities, who withheld intervention to "teach a lesson" to speculators, Reuters reported.

[As the dollar weakened from 246.30 yen at last Thursday's close to a low of 229.00 yen this morning, the Bank of Japan did not intervene. Only when the dollar touched 229.00 yen did the Bank of Japan buy dollars to stop the trend, turning the dollar around. Near the close, the central bank again intervened to halt the rebound, dealers said.]

## Carter Rejects Import Restrictions On Soviet-Made Fertilizer Stock

WASHINGTON, Dec. 11 (AP-D) —

President Carter today rejected a recommendation to limit imports of anhydrous ammonia from the Soviet Union.

International Trade Negotiator Robert Askew, announcing the decision, said Mr. Carter decided it was not "in the national economic interest" to restrict imports of the fertilizer. But, he said, Mr. Carter directed the International Trade Commission to monitor these imports and submit annual surveys to the White House.

The ITC last month said that rapidly rising imports of the chemical from the Soviet Union were hurting U.S. fertilizer companies. The U.S. agency had recommended that the president limit Soviet imports to 1 million tons in 1980, 1.1 million in 1981 and 1.3 million in the final year of a three-year relief plan.

Occidental Petroleum

U.S. officials said imports this year of Soviet ammonia will total about 900,000 tons valued at \$100 million. The fertilizer is imported under a 20-year agreement which the president had recommended to be terminated in 1974. Occidental helped the Soviet Union build

## Codetermination's Growing Pains

By Bill Paul

FRANKFURT, Dec. 11 (AP-D) — On Oct. 24, directors of AEG-Telefunken, the sickly electronics firm, met to work out a reorganization plan that, it was speculated, would include the firing of up to 20,000 workers, or about a sixth of the work force. But the board decided to make no announcement until its next meeting, in December.

But AEG's workers took matters into their own hands through their representatives who sat on the board. The next day, the labor director issued a press release saying the board had decided to fire up to 13,000 workers, a decision they opposed.

The other directors, elected by shareholders and reflecting the views of management, issued a statement "deploring" the leak and implying that their labor colleagues had broken the oath of secrecy that all West German corporate directors sign. The labor directors' response was that when it comes to jobs, their obligation to inform their constituents supersedes any oath of secrecy.

'Dirty Tricks'

This episode is typical of the conflicts that have arisen since industry began complying with the law that requires substantial labor-union membership on most major companies' boards of directors. The idea of giving workers a say in management, known as codetermination, is having considerable birth problems here and "has made it more difficult to do business," according to Rolf Thuesing of the Confederation of West German Employers' Association.

Codetermination also is the law in Holland and Scandinavia. And now the United States is taking its first tentative steps through Chrysler's recently announced decision to put Douglas Fraser, the president of the United Auto Workers, on its board.

Kurt Lanz, deputy chairman of Hoechst, warns that "if you introduce codetermination in the U.S., do not use the German method. Codetermination in Germany has led to a worsening of the social climate." And Heinrich Fuchs, an official of IG Metall, the 2.7-million-member labor union, charges that West German companies, including subsidiaries of U.S. firms, have played "dirty tricks" to circumvent the law.

The methods of codetermination vary from country to country. In Holland, the supervisory board chooses its own members; but workers as well as shareholders have the power to veto any appointment. This gives both sides about equal say in important matters. In Denmark, Sweden and Norway, workers choose their own representatives, but labor members are always in the minority.

The West German system takes two forms. One is on the shop floor, where management and labor have about equal power in such day-to-day decisions as hiring, firing and work

## West German Plan Straining Relations

conditions. This aspect of codetermination has worked quite well, producing a reasonably balanced system of job security and high wages on the one hand, and high productivity and few strikes on the other.

The other form calls for labor to have an equal number of seats with management on the supervisory boards of major companies. However, while labor has numerical parity, it does not have equal voting power. In case of a tie vote, the board chairman, who is a management official, casts an additional and deciding vote. Moreover, one of the labor directors must be a non-union middle manager whose loyalties often lie with management.

Neither management nor labor likes the setup. Management is uneasy because labor has so much power, while labor is frustrated because it does not have as much power as management. Also, management worries that a solid labor vote against a proposal will foment worker discontent, while labor is angry that management can push through a measure even though the union representatives are solidly opposed.

Business leaders complain that labor directors are passing secret company information to their unions, while labor officials charge that managers are finding more and more ways to make top level decisions without consulting the board.

'Not the Best Law'

"The law doesn't satisfy anybody," says Mr. Thuesing. "All it does is create problems." And a top government official in Bonn admits: "It's not the best law. Perhaps in some years I will like it."

Not everybody dislikes the law. One Bonn politician who supported the legislation says, "The law is democratic, and that always makes things difficult. But I think it's worth it." An auto company official says, "We have had a lot of problems getting used to the law, but eventually the workers will feel like they're genuine partners in the running of this company."

A good example of the kind of problem that can arise is found at Opel. Several times in the past year or so, the board of the General Motors subsidiary has been badly split over precedent-setting issues, the most important of which was the spending of profits. Last year, labor's representatives wanted the company to give bonuses to workers and to increase investment in West German plants. They were narrowly outvoted, and, says one labor expert, newspapers' headlines about the split vote "made a historically bad relationship between management and labor even worse."

Executives complain bitterly about the an-

nounced intention of IG Metall, the big union, to collect and computerize corporate information supplied by labor directors and to use that information against the companies in future wage negotiations. "They're finding out all our secrets — about salary scales, investment plans, etc.," says one executive. "There's absolutely nothing we can do about it."

Management Conspiracy?

Mr. Thuesing says that "it's difficult to see how they (the labor directors) can uphold their obligation of secrecy and still pass on this information to their union."

For their part, union officials denounce what they see as a conspiracy to deprive labor directors of their right to influence corporate decisions. IG Metall officials charge that at scores of companies, management has used its control of the supervisory boards to adopt bylaws that give company officials the right to make decisions on their own without board approval.

The union cites an incident at Deimler-Benz. Last year the Stuttgart-based auto and truck manufacturer's board voted to increase to 3 million Deutsche marks from 300,000 DM the size of any single real-estate transaction that corporate managers could approve without going to the board. The board also raised to 5 million DM from 500,000 DM the size of any single purchase of machinery that the managers could approve on their own. Also, the board gave management the power to enter into joint ventures worth up to 40 million DM without approval.

Mr. Fuchs of IG Metall says: "The supervisory board is a discussion body. But these types of changes eliminate discussion. They are trying to lessen our influence."

A Deimler-Benz spokesman insists that "we didn't make these changes because of the new law but because inflation had made the old amounts ridiculously low. It's all very normal."

But Mr. Thuesing admits that similar changes were made in some companies "maybe because they (the management representatives) were afraid of problems with the new board."

Union officials maintain that 20 to 30 firms have gone so far as to change their corporate structure to circumvent the codetermination law. They assert that two of International Telephone & Telegraph's five subsidiaries have recently changed their legal status from public to private. Because many private companies do not fall under the codetermination law, Mr. Fuchs believes ITT's action "was a trick." He says, "The only change was on paper. They just wanted to get around us."

An ITT spokesman denies the charge, arguing that if it had wanted to get around the law, it would have made all five of its subsidiaries into private concerns. "Our lawyers say it was just part of normal business operations," he asserts.

## Government Control of Capital Flows Reduced

## Japan Adopts Investment-Law Reforms

TOKYO, Dec. 11 (AP-D) —

Japanese legislation which makes sweeping changes in the country's foreign exchange and investment laws and removes restrictions on capital transactions cleared its final hurdle today and will go into effect within a year.

The measure, virtually assured passage by the Cabinet's approval in May, passed the Upper House of Parliament today after approval by the Lower House previously.

The changes to be made are seen as an answer to international criticism that Japan is trying to block foreign enterprises from advancing into the Japanese market. Former Prime Minister Takeo Fukuda, at the last year's Bonn economic summit, pledged to remove the controls.

The measure will make capital and trade transactions virtually free of government control. The government, however, can impose controls in times of emergency, including foreign exchange fluctuations, rapid deterioration in Japan's balance of payments position and sudden and massive capital inflows which threaten to disrupt government monetary policy.

Japanese businesses will no longer need government approval for overseas bonds nor will approval be required for issues by foreigners here. Overseas lending by Japanese banks, subject to approval now, will be without restrictions as a rule, as will foreign investment in Japanese securities and Japanese portfolio investment abroad.

The legislation will also abolish the current system requiring export

ers and importers to comply with specified settlement methods.

Separately, the Bank of Japan announced the country's wholesale prices in November showed the sharpest annual increase in nearly four years, mainly due to the yen's recent sharp decline.

The price index rose 1 1/2 percent from October and was up 16.1 percent from a year earlier at 192.2 percent of its 1975 base. November is the eighth consecutive month in which the index showed a monthly increase exceeding 1 percent.

The year-to-year increase was the largest since December 1974's 17-percent rise and follows October's 14.5-percent increase.

Central bank officials said the yen's sharp decline led to an increase in the prices of imported raw materials and other goods which accounted for 0.8 percentage point of the 1 1/2 percent increase.

Although the yen has recently risen sharply, Bank of Japan officials said no optimism is warranted. They noted that higher-cost crude oil is still arriving and there is a growing move to raise domestic prices of various oil products.

In addition, they said, an anticipated price rise by the Organization of Petroleum Exporting Countries this month may further accelerate price increase. In November, prices of oil and oil products jumped 4.9 percent from the preceding month, accounting for 0.6 percentage point of the monthly increase.

U.K. Borrowing Rises

LONDON, Dec. 11 (AP-D) — The central government's borrowing requirement was provisionally estimated at £8.43 billion in the eight months ended November compared with £6.39 billion a year earlier, the Treasury reported today.

In November, the government borrowed £1.69 billion compared with £1.61 billion in November 1978, the Treasury estimated.

The four syndicated loans are \$310 million to Iran's National Petrochemical and \$250 million to the Telecommunications Co. of Iran, both supplied in 1977, and \$300 million to National Iranian Gas Co. and \$200 million to Industrial Credit Bank of Iran, supplied last year, the sources said.

U.S. banks late last month reportedly warned Japanese and European banks that if they failed to take strong action to safeguard their loans to Iran, they cannot expect to share in the proceeds of any distribution of Iranian assets seized by U.S. banks (ITT, Nov. 30).

Most loan contracts state that if the borrower fails to repay loans, any funds recovered by a syndicate member should be shared on a pro-rata basis with the others. The contracts usually also say, however, that each syndicate member do its share in seizing assets of the defaulting borrower.

THE SAUDI INDUSTRIAL DEVELOPMENT FUND would like to announce that relocation to the S.A.I.D. South Tower Building at Airport Street, Riyadh, Saudi Arabia, starting November 24, 1979.

Telephone Number - 477-4002  
Mail Address - P.O. Box 4143, Riyadh  
Telex Number - 291065 SDF SD

## IBM France Sets First Eurobond In French Francs

PARIS, Dec. 11 — IBM France, in its first entry on the international capital market, is issuing a five-year Eurobond of 120 million French francs, member of the underwriting syndicate said today.

The notes, guaranteed by IBM World Trade Corp. rather than the parent U.S. company, will carry a coupon of 11 1/2 percent and will be sold at a discount of 99 1/2 to yield investors 12.01 percent.

The notes, payable Jan. 7, cannot be called until after the third year and then at a premium of 100 1/2. Banque Nationale de Paris is leading the 12-bank marketing group.

S&L Public Offering

LONDON, Dec. 11 (AP-D) — Dade Savings & Loan Association is offering mortgage-backed certificates in the Eurobond market through a syndicate led by Kidder Peabody International.

This is the first public offering of this type of security since the Federal Home Loan Bank Board authorized external financing by U.S. savings and loan associations on Dec. 5. The offering is seen as a test of whether U.S. homeowners will be able to regularly tap the Eurobond market for mortgage financing.

Dade, a Florida-based S&L, will issue \$50 million of five-year mortgage-backed certificates of deposit to BankAmerica Trust & Banking Corp. That Cayman Island affiliate of Bank of America will in turn issue participation certificates in the CD to avoid U.S. withholding taxes on interest payments to non-residents. These will be marketed through normal Eurobond channels by the Kidder syndicate and are expected to bear an annual coupon of 11 1/2 percent.

## Economists Agree U.S. in Recession

NEW YORK, Dec. 11 (AP-D) —

A majority of U.S. economic forecasters seem to have finally agreed that the nation is in a recession.

In general, economists think this long-awaited and widely forecast slump will be deeper and longer than they suspected three months ago — before the Federal Reserve began its tight-money program and before auto sales and other indicators started to flash warnings.

But revisions on top of revisions have been added to most forecasts, and the uncertain situation in the Mideast is overshadowing many predictions.

Robert Eggert, who monthly polls 42 major economic forecasters for his Blue Chip Economic Indicators, says that on the average, the analysts think the inflation-adjusted gross national product will decline at an annual rate of 1 1/2 percent in the current quarter and then fall more sharply in the first two quarters of 1980.

Minority View

But the average forecast conceals the fact that predictions by individual economists vary widely. "I've never seen a time when the range is as wide as it is now," Mr. Eggert says.

A minority of analysts think a recession has yet to begin, he reports, and a few do not see any slump in 1980.

In more specific terms, here is the way economists see various elements of the U.S. economy's near-term future:

• Inflation-adjusted gross national product is generally expected to start rising in the second half of 1980. Most economists expect the beginning of the upturn in the third quarter. There is widespread feeling that the recovery will be slow.

Richard Nenneman of Girard Bank thinks consumers have become heavily overextended in the past few years. "It has been our judgment," he says, "that once the consumer cuts back, it would be some time before the buy-it-now mood returned."

• Industrial production is expected to fall 4.1 percent next year, contrasted with a rise of 3.8 percent in 1979. Data Resources says. Although the decline is likely to be widespread, analysts agree that the most important single factor will be the automobile industry and its suppliers.

Sales of domestically made cars peaked in April 1978 at an annual rate of 10.2 million units. Data Resources thinks those sales will continue to decline, totaling only 7.6 million next year.

Dealers still have sizable inventories of 1979 models. The sales-incentive and rebate programs that helped increase sales in August and September, probably borrowed some demand from later in 1979 and early in 1980.

• For inventories, most analysts expect the "correction" to be much smaller than after the 1974 recession. Businessmen accumulated such large inventories then that, when sales dropped sharply in the fall of that year, the economy dropped even more precipitously because companies stopped ordering. That experience has taught firms to keep much closer track of goods on hand.

• The unemployment rate is generally expected to average about 7 1/2 percent next year, perhaps reaching 8 percent at the trough of the recession. The rise in unemployment, like the recession itself, is likely to affect regions unevenly. Analysts expect the slump to be milder in the West, the Southwest and much of the South.

• An interest-rate peak has been predicted for almost as long as the economists have been forecasting a recession. Most now believe the peak is here. Hardly anyone, how-

ever, looks for a sharp drop in rates any time soon.

• Housing starts have held up reasonably well this year in the face of rising interest rates, thanks largely to federal aid and new high-interest certificates offered by mortgage-lending institutions to savers.

But the still-higher interest rates and the reduced availability of mortgage money triggered by the Fed's anti-inflation program are expected to start biting deeply into housing starts. In October, starts ran at an annual rate of 1.76 million units. The total for this year is predicted to be about 1.75 million, down from more than 2 million in 1978. Analysts expect only about 1.45 million starts in 1980.

• Corporate capital spending will be about 14 percent more this year before adjustment for inflation than in 1978, a period that topped the 1977 level by 13 percent, analysts say. In 1980, forecasts suggest that such spending will rise about 7 percent, but that increase will be more than offset by inflation.

## Prices Drop On Wall St.

From Agency Dispatches

NEW YORK, Dec. 11 — New York Stock Exchange prices retreated today in active trading on concern about further dollar weakness and record gold prices.

The Dow Jones industrial average lost 0.17 to 833.70 and declines led advances about nine to seven as volume expanded to 36 million shares.

The Commerce Department reported that U.S. business inventories rose a seasonally adjusted 1 percent in October to \$421.6 billion after a gain of 0.1 percent in September. Business sales were up 0.8 percent to \$299.1 billion after September's 1.1-percent gain. The inventory/sales ratio was about unchanged at 1.41.

Standard Oil of California's Chevron Standard subsidiary said its Hibertia well tested oil at a rate of 2,635 barrels a day at the interval of 3,853 to 3,858 meters. Among the participants in the well, California Standard rose 1/4, Mobil 1 1/2, Gulf Oil 1/2 and Columbia Gas 1 1/2. Gulf Canada jumped 4 1/2 on the American Exchange.

Volume leader National Semiconductor rose 1 1/2. Morgan Stanley issued a favorable research report on the company.

Warner & Swasey jumped 4 1/2 to 66, it agreed to be acquired by Bendix, which owned 1/4, for cash and stock valued at \$70 a share.

IBM slipped 1/4. It repeated assertions that recent price cuts of its large and small computers may not be enough to prop up earnings for the fourth quarter as some stock analysts have forecast.

General Electric said analysts estimate it will earn \$6.10 to \$6.20 a share in 1979 are reasonable and added 1/4.

Xerox lost one. It introduced an office data system and cut prices on some electronic typewriters.

Tenneco agreed in principle to buy Southwestern Life Corp. for \$50 a share in securities.

## Company Report

Revenues, Profits in Millions  
in local currencies, unless otherwise indicated

Company	1978	1979
Canada		
Segram		
Revenue	769.7	697.0
Profits	47.4	29.0
Per Share	1.35	0.83
* Results in U.S. dollars.		

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## News and Notes

Japanese companies have agreed in principle to prepare for a joint venture deal under which they will develop with the U.S. a jet engine with levels of noise, fuel consumption and pollution for medium commercial aircraft. The cost of 140 million yen (\$570 million) is to be shared equally.

Agreement, known as the project, will begin Jan. 31. Japanese partners are Ishikawajima Harima Industries, Mitsubishi Heavy Industries and Kawasaki Heavy Industries. The three are to manufacture the engine's fan low-pressure turbine. Rolls-Royce will manufacture the compressor, burner and pressure turbine. The Japanese will also subcontract 20 to 30 percent of development and manufacturing work to Rolls-Royce when they develop other engines based on technology exchanged under the agreement.

Swedish group turnover rose 24 percent in the first 10 months of 1979. Italy's leading manufacturer of office machines and data processing group turnover totaled 18 billion lire (about \$1.7 billion) while parent company turnover climbed 41 percent from a earlier to 697 billion lire.

Major Mining & Exploration identified itself as the buyer of two million shares of Northern Energy Resources on the Toronto Stock Exchange last 1 for \$Can.642 million. Later reportedly intends to steadily seek 20 to 25 percent stakes in Toronto oil, gas and coal concerns. Labrador Mining is Norway's largest share holder, holding 8.3 percent. Labrador Mining has interests in ore mining in Newfoundland and gas exploration in the Canadian Arctic. It is 20-percent owned by Hanna Mining of Ireland and about 68-percent owned by Hollinger Argus, a Toronto mining concern.



## Chicago Futures

December 11, 1979

Open	High	Low	Close	Chg.
WHEAT	4.27	4.31	4.26	+0.05
5,000 bu. dollars per bu.				
Dec	4.27	4.31	4.26	+0.05
Jan	4.28	4.32	4.27	+0.04
Mar	4.31	4.35	4.30	+0.04
May	4.34	4.38	4.33	+0.04
Jul	4.37	4.41	4.36	+0.04
Sep	4.40	4.44	4.39	+0.04
Nov	4.43	4.47	4.42	+0.04

Sales Mon. 14,003.  
Total open interest Mon. 52,333, off 804 from Fri.

Open	High	Low	Close	Chg.
CORN	2.70	2.72	2.71	+0.04
5,000 bu. dollars per bu.				
Dec	2.70	2.72	2.71	+0.04
Jan	2.71	2.73	2.72	+0.03
Mar	2.72	2.74	2.73	+0.03
May	2.73	2.75	2.74	+0.03
Jul	2.74	2.76	2.75	+0.03
Sep	2.75	2.77	2.76	+0.03
Nov	2.76	2.78	2.77	+0.03

Sales Mon. 24,572.  
Total open interest Mon. 164,140, off 1,243 from Fri.

Open	High	Low	Close	Chg.
SOYBEANS	6.40	6.42	6.41	+0.02
5,000 bu. dollars per bu.				
Dec	6.40	6.42	6.41	+0.02
Jan	6.41	6.43	6.42	+0.01
Mar	6.42	6.44	6.43	+0.01
May	6.43	6.45	6.44	+0.01
Jul	6.44	6.46	6.45	+0.01
Sep	6.45	6.47	6.46	+0.01
Nov	6.46	6.48	6.47	+0.01

Sales Mon. 21,222.  
Total open interest Mon. 131,978, off 205 from Fri.

Open	High	Low	Close	Chg.
SOYBEAN MEAL	18.00	18.05	18.02	+0.02
100 tons, dollars per ton				
Dec	18.00	18.05	18.02	+0.02
Jan	18.01	18.06	18.03	+0.01
Mar	18.02	18.07	18.04	+0.01
May	18.03	18.08	18.05	+0.01
Jul	18.04	18.09	18.06	+0.01
Sep	18.05	18.10	18.07	+0.01
Nov	18.06	18.11	18.08	+0.01

Sales Mon. 7,754.  
Total open interest Mon. 53,882, off 275 from Fri.

Open	High	Low	Close	Chg.
SOYBEAN OIL	25.00	25.05	25.02	+0.02
60,000 lbs., dollars per 100 lbs.				
Dec	25.00	25.05	25.02	+0.02
Jan	25.01	25.06	25.03	+0.01
Mar	25.02	25.07	25.04	+0.01
May	25.03	25.08	25.05	+0.01
Jul	25.04	25.09	25.06	+0.01
Sep	25.05	25.10	25.07	+0.01
Nov	25.06	25.11	25.08	+0.01

Sales Mon. 16,680.  
Total open interest Mon. 68,322, off 896 from Fri.

Open	High	Low	Close	Chg.
OATS	1.00	1.01	1.00	+0.01
5,000 bu. dollars per bu.				
Dec	1.00	1.01	1.00	+0.01
Jan	1.01	1.02	1.01	+0.00
Mar	1.02	1.03	1.02	+0.00
May	1.03	1.04	1.03	+0.00
Jul	1.04	1.05	1.04	+0.00
Sep	1.05	1.06	1.05	+0.00

Sales Mon. 489.  
Total open interest Mon. 5,180, off 37 from Fri.

Open	High	Low	Close	Chg.
LIVE BEEF CATTLE	65.00	65.05	65.02	+0.02
40,000 lbs., cents per lb.				
Dec	65.00	65.05	65.02	+0.02
Jan	65.01	65.06	65.03	+0.01
Mar	65.02	65.07	65.04	+0.01
May	65.03	65.08	65.05	+0.01
Jul	65.04	65.09	65.06	+0.01
Sep	65.05	65.10	65.07	+0.01
Nov	65.06	65.11	65.08	+0.01

Sales Mon. 18,829.  
Total open interest Mon. 82,728, off 677 from Fri.

Open	High	Low	Close	Chg.
90-DAY COMMERCIAL PAPER	11.00	11.05	11.02	+0.02
(91 million, commercial discount rate)				
Dec	11.00	11.05	11.02	+0.02
Jan	11.01	11.06	11.03	+0.01
Mar	11.02	11.07	11.04	+0.01
May	11.03	11.08	11.05	+0.01
Jul	11.04	11.09	11.06	+0.01
Sep	11.05	11.10	11.07	+0.01
Nov	11.06	11.11	11.08	+0.01

Sales Mon. 71.  
Total open interest Mon. 596, off 1 from Fri.

Open	High	Low	Close	Chg.
FEEDER CATTLE	42.00	42.05	42.02	+0.02
40,000 lbs., cents per lb.				
Dec	42.00	42.05	42.02	+0.02
Jan	42.01	42.06	42.03	+0.01
Mar	42.02	42.07	42.04	+0.01
May	42.03	42.08	42.05	+0.01
Jul	42.04	42.09	42.06	+0.01
Sep	42.05	42.10	42.07	+0.01
Nov	42.06	42.11	42.08	+0.01

Sales Mon. 1,784.  
Total open interest Mon. 13,284, off 9 from Fri.

Open	High	Low	Close	Chg.
LIVE HOGS	41.00	41.05	41.02	+0.02
30,000 lbs., cents per lb.				
Dec	41.00	41.05	41.02	+0.02
Jan	41.01	41.06	41.03	+0.01
Mar	41.02	41.07	41.04	+0.01
May	41.03	41.08	41.05	+0.01
Jul	41.04	41.09	41.06	+0.01
Sep	41.05	41.10	41.07	+0.01
Nov	41.06	41.11	41.08	+0.01

Sales Mon. 4,389.  
Total open interest Mon. 25,454, off 340 from Fri.

Open	High	Low	Close	Chg.
PORK BELLIES	48.00	48.05	48.02	+0.02
30,000 lbs., cents per lb.				
Dec	48.00	48.05	48.02	+0.02
Jan	48.01	48.06	48.03	+0.01
Mar	48.02	48.07	48.04	+0.01
May	48.03	48.08	48.05	+0.01
Jul	48.04	48.09	48.06	+0.01
Sep	48.05	48.10	48.07	+0.01
Nov	48.06	48.11	48.08	+0.01

Sales Mon. 5,154.  
Total open interest Mon. 24,434, off 141 from Fri.

Open	High	Low	Close	Chg.
ICED BROILERS	43.00	43.05	43.02	+0.02
30,000 lbs., cents per lb.				
Dec	43.00	43.05	43.02	+0.02
Jan	43.01	43.06	43.03	+0.01
Mar	43.02	43.07	43.04	+0.01
May	43.03	43.08	43.05	+0.01
Jul	43.04	43.09	43.06	+0.01
Sep	43.05	43.10	43.07	+0.01
Nov	43.06	43.11	43.08	+0.01

Sales Mon. 56.  
Total open interest Mon. 84, off 18 from Fri.

## U.S. Commodity Prices

December 11, 1979

Open	High	Low	Close	Chg.
SHELL EGGS	62.00	62.05	62.02	+0.02
25,000 doz., cents per doz.				
Dec	62.00	62.05	62.02	+0.02
Jan	62.01	62.06	62.03	+0.01
Mar	62.02	62.07	62.04	+0.01
May	62.03	62.08	62.05	+0.01
Jul	62.04	62.09	62.06	+0.01
Sep	62.05	62.10	62.07	+0.01
Nov	62.06	62.11	62.08	+0.01

Sales Mon. 50.  
Total open interest Mon. 164, up 1 from Fri.

Open	High	Low	Close	Chg.
LUABER	21.00	21.05	21.02	+0.02
100,000 bu., dollars				
Dec	21.00	21.05	21.02	+0.02
Jan	21.01	21.06	21.03	+0.01
Mar	21.02	21.07	21.04	+0.01
May	21.03	21.08	21.05	+0.01
Jul	21.04	21.09	21.06	+0.01
Sep	21.05	21.10	21.07	+0.01
Nov	21.06	21.11	21.08	+0.01

Sales Mon. 2,007.  
Total open interest Mon. 10,972, up 105 from Fri.

Open	High	Low	Close	Chg.
PLYWOOD	18.00	18.05	18.02	+0.02
74,000 sq. ft., dollars per 1,000 sq. ft.				
Dec	18.00	18.05	18.02	+0.02
Jan	18.01	18.06	18.03	+0.01
Mar	18.02	18.07	18.04	+0.01
May	18.03	18.08	18.05	+0.01
Jul	18.04	18.09	18.06	+0.01
Sep	18.05	18.10	18.07	+0.01
Nov	18.06	18.11	18.08	+0.01

Sales Mon. 467.  
Total open interest Mon. 4,312, off 41 from Fri.

Open	High	Low	Close	Chg.
U.S. TREASURY BILLS	10.00	10.05	10.02	+0.02
31 million, p.c. of 100 p.c.				
Dec	10.00	10.05	10.02	+0.02
Jan	10.01	10.06	10.03	+0.01
Mar	10.02	10.07	10.04	+0.01
May	10.03	10.08	10.05	+0.01
Jul	10.04	10.09	10.06	+0.01
Sep	10.05	10.10	10.07	+0.01
Nov	10.06	10.11	10.08	+0.01

Sales Mon. 9,763.  
Total open interest Mon. 42,713, off 385 from Fri.

Open	High	Low	Close	Chg.
GNMA	10.00	10.05	10.02	+0.02
100 million, p.c. of 100 p.c.				
Dec	10.00	10.05	10.02	+0.02
Jan	10.01	10.06	10.03	+0.01
Mar	10.02	10.07	10.04	+0.01
May	10.03	10.08	10.05	+0.01
Jul	10.04	10.09	10.06	+0.01
Sep	10.05	10.10	10.07	+0.01
Nov	10.06	10.11	10.08	+0.01

Open	High	Low	Close	Chg.
SOYBEAN MEAL	18.00	18.05	18.02	+0.02
100 tons, dollars per ton				
Dec	18.00	18.05	18.02	+0.02
Jan	18.01	18.06	18.03	+0.01
Mar	18.02	18.07	18.04	+0.01
May	18.03	18.08	18.05	+0.01
Jul	18.04	18.09	18.06	+0.01
Sep	18.05	18.10	18.07	+0.01
Nov	18.06	18.11	18.08	+0.01

Open	High	Low	Close	Chg.
SOYBEAN OIL	25.00	25.05	25.02	+0.02
60,000 lbs., dollars per 100 lbs.				
Dec	25.00	25.05	25.02	+0.02
Jan	25.01	25.06	25.03	+0.01
Mar	25.02	25.07	25.04	+0.01
May	25.03	25.08	25.05	+0.01
Jul	25.04	25.09	25.06	+0.01
Sep	25.05	25.10	25.07	+0.01
Nov	25.06	25.11	25.08	+0.01

Sales Mon. 2,244.  
Total open interest Mon. 65,558, up 346 from Fri.

Open	High	Low	Close	Chg.
LONG TERM TREASURY BONDS	10.00	10.05	10.02	+0.02
10 million, p.c. of 100 p.c.				
Dec	10.00	10.05	10.02	+0.02
Jan	10.01	10.06	10.03	+0.01
Mar	10.02	10.07	10.04	+0.01
May	10.03	10.08	10.05	+0.01
Jul	10.04	10.09	10.06	+0.01
Sep	10.05	10.10	10.07	+0.01
Nov	10.06	10.11	10.08	+0.01

Open	High	Low	Close	Chg.
90-DAY COMMERCIAL PAPER	11.00	11.05	11.02	+0.02
(91 million, commercial discount rate)				
Dec	11.00	11.05	11.02	+0.02
Jan	11.01	11.06	11.03	+0.01
Mar	11.02	11.07	11.04	+0.01
May	11.03	11.08	11.05	+0.01
Jul	11.04	11.09	11.06	+0.01
Sep	11.05	11.10	11.07	+0.01
Nov	11.06	11.11	11.08	+0.01

Sales Mon. 71.  
Total open interest Mon. 596, off 1 from Fri.

BRITISH POUND, \$ per pound.					
Dec	2.1850	2.1965	2.1845	2.1955	+280
Nov	2.1730	2.1870	2.1720	2.1865	+310
Oct	2.1630	2.1740	2.1630	2.1725	+320
Sept	2.1530	2.1550	2.1530	2.1590	+270

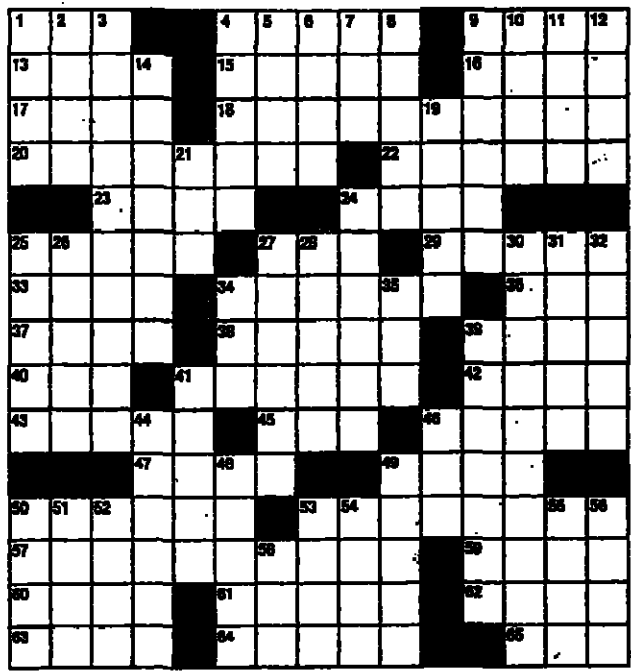
Est. sales 1,329; sales Mon, 1,143.  
Total open interest Mon, 8,782, up 310 from







## CROSSWORD — By Eugene T. Maleska



- ACROSS**
- Pleasure
  - Le — auto-racing center
  - Crocker-Ross
  - Eastern port
  - A Maxwell
  - "The Lady," 1928 film
  - Most intelligent
  - Certain tan fan
  - Stendhal's "Le Rouge et le Noir"
  - Prop for yesterday's dandy
  - The — of the ball
  - Half or third of a dance
  - Fireplace
  - Dueling blade
  - Gothic king
  - Battering object
  - Hubbard's dog's share
  - Star of films in this puzzle
  - Humorism, dark plain on the moon
- DOWN**
- Tribe of Nigeria
  - Lafayette College
  - French fresco figure
  - Man from Port Arthur
  - Word with bull or fountain
  - Down — (Australia)
  - Wife of Harry S. Truman
  - Man from Tallinn
  - "And what is as —"
  - John Brown's "Body" poet
  - Lyric poem
  - Raison d' —
  - de-camp
  - Light stage
  - O'Casey
  - Kind of times or news
  - Direct
  - Weight abbr.
  - Dice throw
  - Olympic swimmer
  - Eleanor
  - "— Her Fall and Rise," 1931 film
  - Certain laborers
  - Go on stage
  - "The — at eve..."
  - Buckeye State
  - Alter the décor
  - Balzac's "Le Goriot"
  - Suffix with infer
  - Kind of bag
  - Desires
  - Tattletale

Solution to Previous Puzzle

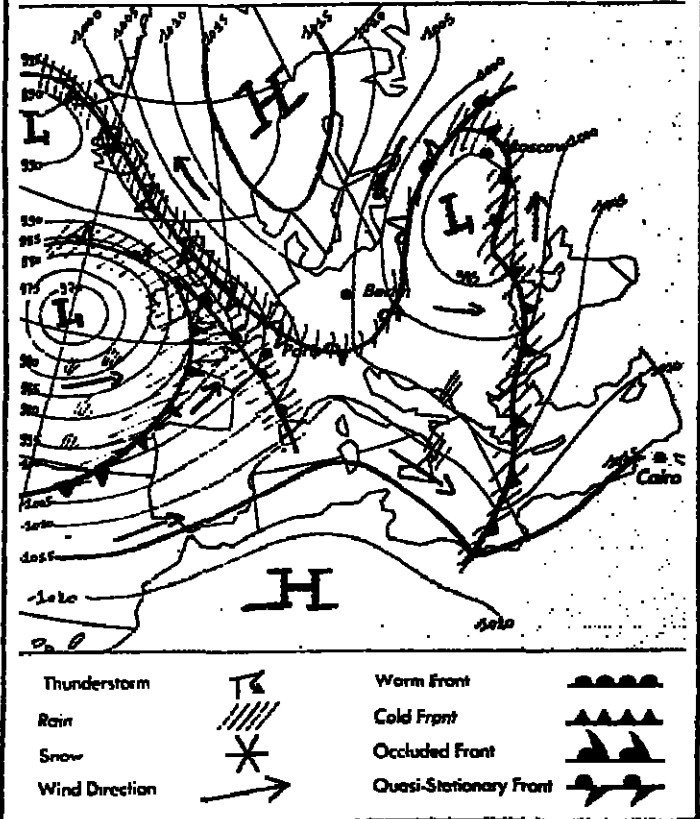
ACROSS  
1. PLEASURE  
2. LE MANS  
3. CROCKER-ROSS  
4. BOSTON  
5. ALEXANDRIA  
6. THE LADY  
7. MOST INTELLIGENT  
8. CERTAIN TAN FAN  
9. STENDHAL  
10. PROP  
11. THE BALL  
12. HALF OR THIRD OF A DANCE  
13. FIREPLACE  
14. DUELING BLADE  
15. GOTHIC KING  
16. BATTERING OBJECT  
17. HUBBARD'S DOG'S SHARE  
18. STAR OF FILMS IN THIS PUZZLE  
19. HUMORISM, DARK PLAIN ON THE MOON

DOWN  
20. TRIBE OF NIGERIA  
21. LAFAYETTE COLLEGE  
22. FRENCH FRESKO FIGURE  
23. MAN FROM PORT ARTHUR  
24. WORD WITH BULL OR FOUNTAIN  
25. DOWN (AUSTRALIA)  
26. WIFE OF HARRY S. TRUMAN  
27. MAN FROM TALLINN  
28. "AND WHAT IS AS —"  
29. JOHN BROWN'S "BODY" POET  
30. LYRIC POEM  
31. RAISON D' —  
32. DE-CAMP  
33. LIGHT STAGE  
34. O'CASEY  
35. KIND OF TIMES OR NEWS  
36. DIRECT  
37. WEIGHT ABBR.  
38. DICE THROW  
39. OLYMPIC SWIMMER  
40. ELEANOR  
41. "— HER FALL AND RISE," 1931 FILM  
42. CERTAIN LABORERS  
43. GO ON STAGE  
44. "THE — AT EVE..."  
45. BUCKEYE STATE  
46. ALTER THE DECOR  
47. BALZAC'S "LE GORIOT"  
48. SUFFIX WITH INFER  
49. KIND OF BAG  
50. DESIRES  
51. TATTLETALE

## WEATHER

ALGAEV	C	F	CLOUDY	MADRID	C	F	CLOUDY
AMSTERDAM	17	63	Cloudy	MILAN	14	57	Cloudy
ATHENS	17	63	Cloudy	MOSCOW	14	57	Cloudy
BIRMINGHAM	17	63	Cloudy	MUNICH	14	57	Cloudy
BUDAPEST	17	63	Cloudy	PARIS	14	57	Cloudy
CASABLANCA	17	63	Cloudy	PRAGUE	14	57	Cloudy
COPENHAGEN	17	63	Cloudy	ROME	14	57	Cloudy
COSTA DEL SOL	17	63	Cloudy	STOCKHOLM	14	57	Cloudy
DUBLIN	17	63	Cloudy	TEHRAN	14	57	Cloudy
EDINBURGH	17	63	Cloudy	TEL AVIV	14	57	Cloudy
FRANKFURT	17	63	Cloudy	TOKYO	14	57	Cloudy
GENEVA	17	63	Cloudy	TURIN	14	57	Cloudy
Helsinki	17	63	Cloudy	VIENNA	14	57	Cloudy
HONGKONG	17	63	Cloudy	WARSAW	14	57	Cloudy
ISTANBUL	17	63	Cloudy	WASHINGTON	14	57	Cloudy
LAS PALMAS	17	63	Cloudy	ZURICH	14	57	Cloudy
LISBON	17	63	Cloudy				
LONDON	17	63	Cloudy				
LOS ANGELES	17	63	Cloudy				

Situation Forecast for Noon G.M.T. Wednesday



**Question: What Is a Nautical Mile?**  
**Answer: Dearest, I Miss You So. . .**

MANILA, Dec. 11 (Reuters) — Some Filipino Merchant Marine officers have been passing examinations by writing prayers, love letters and songs, according to a government investigation into allegations of cheating on examinations.

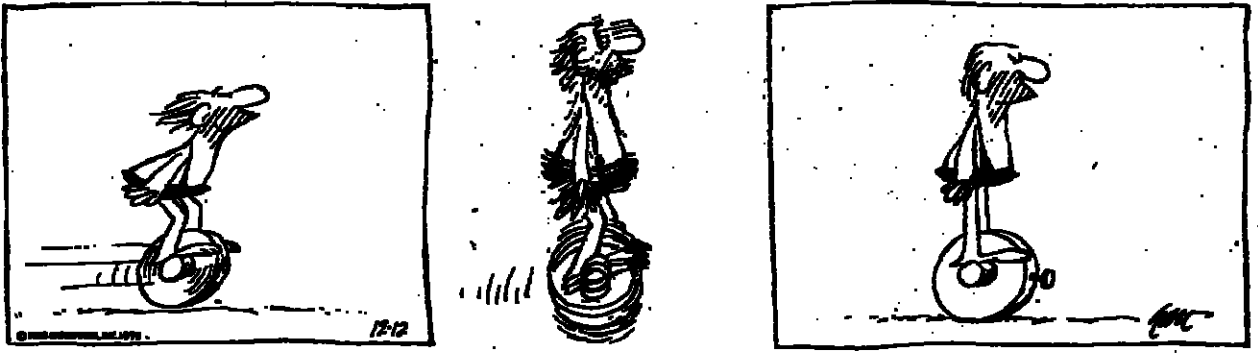
A presidential palace statement said today that members of the examination supervisory board had been called in by the investigators to explain the allegations.

The statement said that some test papers with wrong answers had been credited with high ratings. "In some test papers, the papers bore prayers, love letters and even songs as answers to questions on the principles of navigation, seamanship, meteorology, electronics, as well as problems in navigation and marine law," it said.

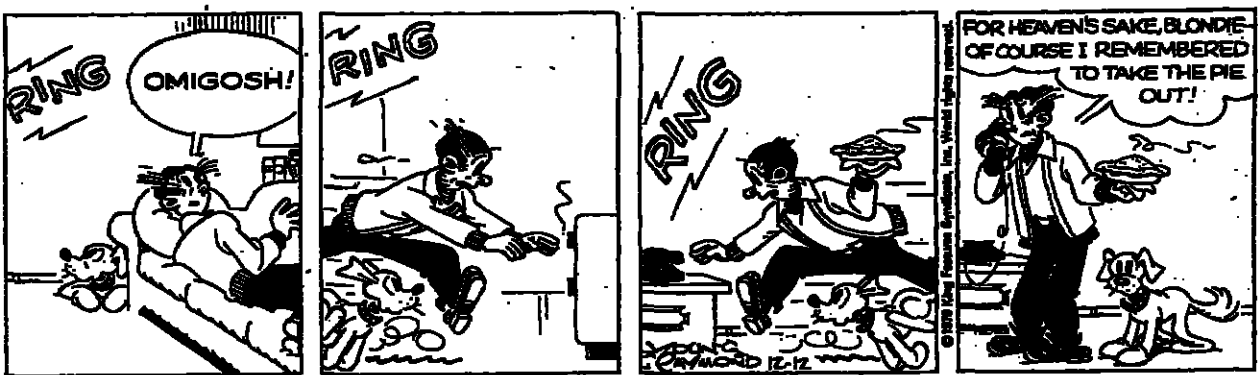
## PEANUTS



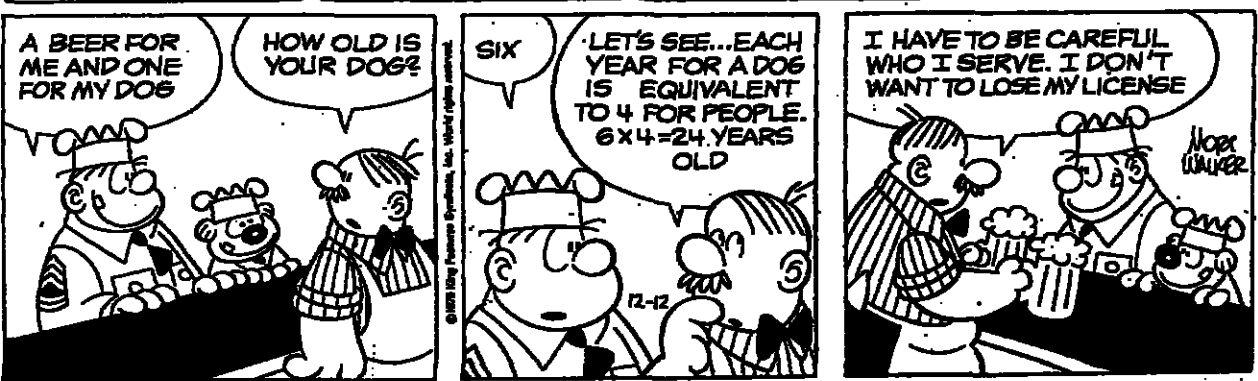
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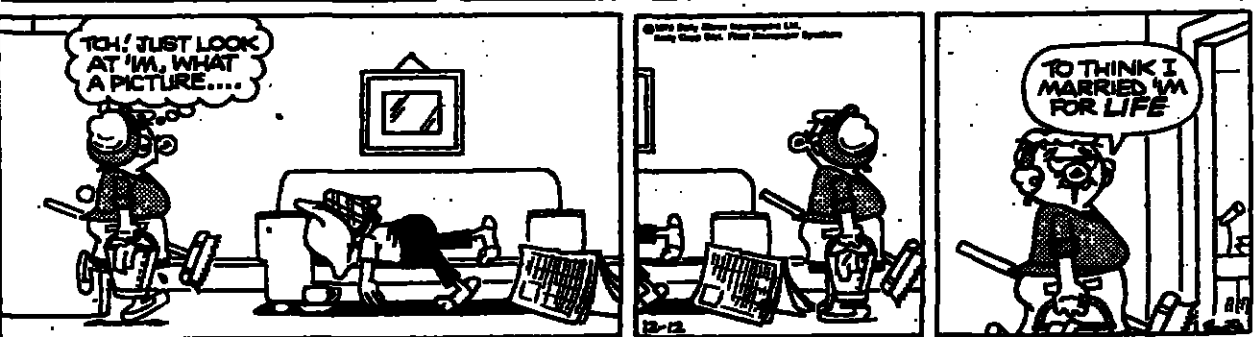
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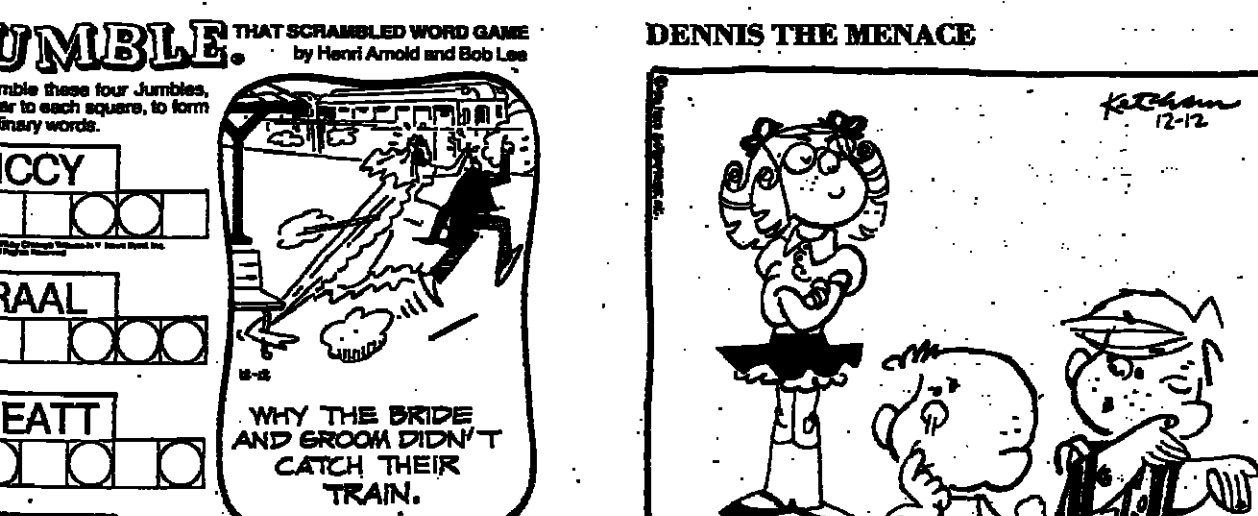
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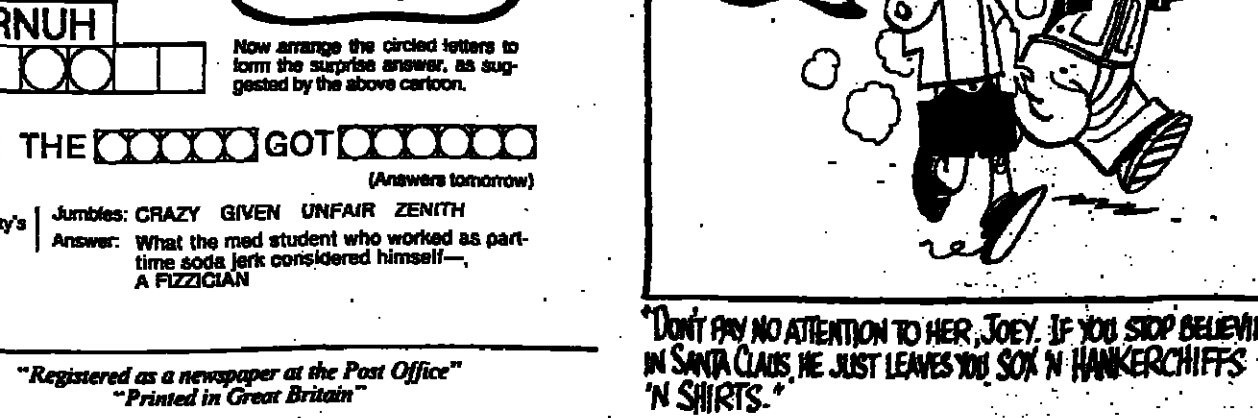
## DONESBURY



## JUMBLE



## DENNIS THE MENACE



## BOOKS

## THE DEATH OF JIM LONEY

By James Welch. Harper &amp; Row. 179 pp. \$8.95.

Reviewed by Anatole Broyard

JAMES WELCH may have the makings of a good novelist, but it's hard to tell, because he has shrouded himself in the clichés of a certain kind of contemporary writing. The protagonist of "The Death of Jim Loney" is offered to us as a hero of hopelessness. He is a half-breed, of white and Indian parents, who has been abandoned by both. His answer to his abandonment is to turn his life into one long shrug, between pulls at a wine bottle.

Jim Loney, barely talks, and when he does, it is only to describe his emotional disaffection. "He had been thinking of his life for a month. He had tried to think of all the little things that added up to a man sitting at a table drinking wine. But he couldn't connect the different parts of his life, or the various people who had entered and left it."

The reader feels that he has been here before, that he may be ready for novels in which that man gets up from that table and corks the wine bottle. It's time for another turn of the screw, as Henry James put it, time to move beyond disconnection and see what else is possible. Jim Loney is as static as the old wooden Indian in front of the cigar store.

## "Noble Self-Destruction"

While neurosis is a personal tragedy, it is not necessarily a literary one. Nor is being a member of a minority. On the dust jacket of "The Death of Jim Loney," we read of Jim's "noble self-destruction." We are asked to see him as bravely refusing the terms of the contract. Unless we give him back his mother and father, unless we connect him to society, he won't play.

Jim's lower, Rhea, is not much better. She is a rich girl who left her parents' house in Dallas to end up, improbably enough, in the small Montana town where Jim lives. Here's how Rhea's mind works: "How strange. How very strange. To run away from things. To run away from her family... to end up teaching school."

She also tries to teach Jim, giving him a course in life appreciation, like those art- or music-appreciation courses we all had in school. She is strong on picnics and drives into the country. She offers Jim her own disconnection in the common belief that two different directions, like two negatives, equal a positive. One can almost imagine her saying to Jim after their lovemaking, "You feel, therefore you are."

Jim has an older sister, Kate, who went to Washington to become something important in education. Kate has so hardened herself against the risks of life that all she can accept of it is work. Her exchanges with her brother, whom she supposedly loves, are condemned by Welch to the kind of spare, or bare, lines love is allowed in current fiction. "I don't understand you," Kate says. "I know," Jim answers. "I don't understand myself."

Just how interesting, ultimately, is all this lack of understanding? One is tempted to say that ignorance is no excuse in the eyes of the law. When Jim reflects that "in the past several years he had become something of a non-person," we agree with him.

Rhea says to Kate about Jim, "We've both come to the conclusion that he is a human being." When Kate replies by describing him as "a human being with potential," Welch himself sounds as if he is growing bored with his characters.

We may have had enough of potential, for the time being. American fiction may need an infusion of the actual. Robert Frost said that poetry seizes life by the throat, but Jim Loney talks only about trying for "some sort of controlled oblivion."

It might be a good idea, as well, to declare a moratorium on fiction-

al drunks, to turn them into Alcoholics Anonymous. The actual life there are people more interesting after a stiff drink, the bottle in the almost invariably filled with a symbol of rootlessness? If any self-respecting son is back on a metaphor like this.

Indigenous Depression  
 Rhea proposes to save a taking him to Seattle. His integrity demands that his father has returned to town, where he has set up keeping in a trailer. How's a symbol of rootlessness? If any self-respecting son is back on a metaphor like this.

And then, too, Jim has a kind of a heart. Weasel, Why? Because Weasel is an Indian, and a good Indian, Jim seems to be depressed one. Also, Pretty is happy and successful in his life. After tomorrow, Jim himself, "I will have no fun that, a lament or a boast threatening us with his mess? Why do so many American novels have to be unpaid bills?

Anatole Broyard is on the New York Times.

## Best Seller

This list is based on reports from 1,400 bookstores throughout the U.S. Weeks on list are not necessarily consecutive.

## FICTION

1. TRIPLE by Ken Follet
2. THE ESTABLISHMENT by Howard Fast
3. JAILBIRD by Karl Vossler
4. THE GREEN RIVER by John MacDonald
5. THE LAST ENCHANTMENT by Mary Stewart
6. SHADOW OF THE MOON by M.M. Kaye
7. THE DEAD ZONE by Stephen King
8. SOPHIE'S CHOICE by William Styron
9. MEMORIES OF ANOTHER DAY by Harold Robbins
10. THE EXECUTIONER'S SOLEMN by Norman Mailer
11. THE MATARESE CIRCLE by Robert Ludlum
12. WA AND A REVENGE by Bruce V. Wilson
13. PASSION PLAY by Irving Stone
14. TROVATORE by Fred McDodd
15. THE FORMULA by Stephen King

## NONFICTION

1. AUNT ERMA'S COPE BOOK by Emma Bonner
2. THE COMPLETE SCIENCE OF DALE CARNEGIE by Dale Carnegie
3. YEARS by Henry Kissinger
4. JAMES HERRIOT'S YORKSHIRE by James Herriot
5. HOW TO PROGRESS DURING THE COMING BAD YEARS by Howard Roth
6. THE RIGHT STUFF by Ray Wolfe
7. CAVALIERS by Steve Martin
8. THE PATRIOT PROGRAM by Nathan Perlmutter
9. RESTORING THE AMERICAN DREAM by Robert Kennedy
10. SEPENTINE by Thomas Thompson
11. ANATOMY OF AN ILLNESS by Norman Cousins
12. THE OLD PATAGONIAN by Norman Cousins
13. SECOND WIND by Bill Ballew
14. THE POWERS THAT BE by David Holzman
15. BROCA'S BRAIN by Cid S. Gao

## BRIDGE

By Alan T.

GIVING an opponent a chance to make an error is an art that is insufficiently cultivated at the bridge table. Technique is not enough — one must be able to exploit weaknesses in the opponents' technique. An elegant example is the diagrammed deal.

The hero was North. His direct jump to four hearts is a splinter, showing game values, at least four spades and at most one heart.

North has to worry about the possibility that South will forget the convention and pass four hearts in the belief that the bid is natural.

But South is on the right wavelength and believes that the hands will mesh perfectly. He uses Blackwood and drives to a slam, only to find that the contract is borderline. North has a dead-minimum hand for his four-heart bid, and considerable duplication in clubs.

On the face of it, the slam depends on picking up the spade queen, and that became the only problem when West led the diamond ace and continued the suit. East's play of the ten and the queen made it highly likely that he had begun with a doubleton, so there was some reason to think that the spade length was on the right.

A player intent on sheer technique might lead to the spade ace and finesse the ten on the way back, judging himself unlucky when the finesse lost and the slam failed.

But South found a better way. After winning the diamond king, he immediately cashed the heart ace

and ruffed a heart. Then he cashed the jack.

East felt into the trap and it was then an easy matter to overruff and draw trumps were now enough tricks to make the hearts divided in. The declarer made seven tricks and five tricks in suits.

An expert East, about through the trap by asking why the declarer was playing around jack before pulling. The only conceivable explanation that he is trying to over because he has a problem in the suit.

**NORTH**  
 ♠ A J 6 2  
 ♥ 7  
 ♦ K 6 4  
 ♣ K Q 5 4

**WEST**  
 ♠ Q 4  
 ♥ Q J 8  
 ♦ A 3 7 2  
 ♣ J 8 7

**EAST**  
 ♠ A 9 7  
 ♥ K 7 4 3  
 ♦ Q J 10  
 ♣ A 10 9 8 7 6 5

**SOUTH (DE)**  
 ♠ K 10 5 3  
 ♥ A 10 8 6 5  
 ♦ A 3  
 ♣ A

Neither side was vulnerable.

Deal:  
 South West North  
 1♠ 4♥ 4♠ 4♥  
 2♦ 3♥ 3♠ 3♥  
 4♥ 4♥ 4♥ 4♥  
 5♥ 5♥ 5♥ 5♥

West led the diamond ace.

JANUARY 1980







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Defying a 35-mile-an-hour headwind, stunt rider Eddie Kidd flew his 400cc Yamaha motorbike across an 80-foot gap between abutments of a collapsed railway bridge at Maldon, England, and landed with only a cat leg. Kidd, 20, made the leap over the River Blackwater in a 1000cc Honda bike, a stunt in which he plays a motorcycle stunt man. Relaxing afterward with champagne, he said: "I wouldn't do that jump again," but announced that he planned to try to break his

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